

<i>SERFF Tracking Number:</i>	<i>ISMI-127634351</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>ISMIE Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>ISMI-127634351</i>
<i>Company Tracking Number:</i>	<i>ISMIE 0000-65</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2000 Med Mal Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>ISMIE Mutual Rate and Rule Filing Effective 10/1/11</i>		
<i>Project Name/Number:</i>	<i>Rules and Rates/</i>		

Filing at a Glance

Company: ISMIE Mutual Insurance Company		
Product Name: ISMIE Mutual Rate and Rule	SERFF Tr Num: ISMI-127634351	State: Illinois
Filing Effective 10/1/11		
TOI: 11.2 Med Mal-Claims Made Only	SERFF Status: Closed-Filed	State Tr Num: ISMI-127634351
Sub-TOI: 11.2000 Med Mal Sub-TOI	Co Tr Num: ISMIE 0000-65	State Status:
Combinations		
Filing Type: Rate/Rule		Reviewer(s): Gayle Neuman
	Authors: Jacinth Adams, Gina Bules	Disposition Date: 12/28/2011
	Date Submitted: 09/19/2011	Disposition Status: Filed
Effective Date Requested (New): 10/01/2011		Effective Date (New): 10/01/2011
Effective Date Requested (Renewal):		Effective Date (Renewal):
State Filing Description:		
*****FILING ROUTED ON 9/26/11*****		

General Information

Project Name: Rules and Rates	Status of Filing in Domicile: Pending
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 12/28/2011	
State Status Changed:	Deemer Date:
Created By: Gina Bules	Submitted By: Jacinth Adams
Corresponding Filing Tracking Number:	
Filing Description:	
ISMIE Mutual Rate and Rule Filing Effective October 1, 2011. Cover Letter, Rule Pages and Rates included in Supporting Documentation.	

Company and Contact

Filing Contact Information

Jacinth Adams, Senior Support Manager	jacinthadams@ismie.com
20 N. Michigan Avenue	312-580-2498 [Phone]

SERFF Tracking Number: ISMI-127634351 State: Illinois
 Filing Company: ISMIE Mutual Insurance Company State Tracking Number: ISMI-127634351
 Company Tracking Number: ISMIE 0000-65
 TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
 Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
 Project Name/Number: Rules and Rates/

Suite 700 312-782-2023 [FAX]
 Chicago, IL 60602

Filing Company Information

ISMIE Mutual Insurance Company	CoCode: 32921	State of Domicile: Illinois
20 N. Michigan Avenue	Group Code: 2358	Company Type: P&C Medical
		Malpractice
Suite 700	Group Name:	State ID Number:
Chicago, IL 60602	FEIN Number: 36-2883612	
(800) 782-4764 ext. [Phone]		

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
ISMIE Mutual Insurance Company	\$0.00		

State Specific

Refer to our checklists prior to submitting filing
 (http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): JEA
 Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: JEA
 NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. : http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm: JEA
 Medical Malpractice rates/rules may only be submitted in paper.: Per Gayle Neuman, they are attached here via SERFF
 The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group

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Project Name/Number: Rules and Rates/

Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": JEA

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: JEA

SERFF Tracking Number: ISMI-127634351 State: Illinois
Filing Company: ISMIE Mutual Insurance Company State Tracking Number: ISMI-127634351
Company Tracking Number: ISMIE 0000-65
TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	12/28/2011	12/28/2011

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Gayle Neuman	09/20/2011	09/20/2011	Jacinth Adams	09/26/2011	09/26/2011
Industry						
Response						

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Manual	Jacinth Adams	10/27/2011	10/27/2011
Supporting Document	Manual	Jacinth Adams	09/20/2011	09/20/2011
Supporting Document	Affected Pages	Jacinth Adams	09/20/2011	09/20/2011

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective Date of Manual	Note To Reviewer	Jacinth Adams	12/27/2011	12/27/2011
effective date	Note To Filer	Gayle Neuman	12/20/2011	12/20/2011

SERFF Tracking Number: ISMI-127634351 *State:* Illinois
Filing Company: ISMIE Mutual Insurance Company *State Tracking Number:* ISMI-127634351
Company Tracking Number: ISMIE 0000-65
TOI: 11.2 Med Mal-Claims Made Only *Sub-TOI:* 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Manual Note To Reviewer Jacinth Adams 11/14/2011 11/14/2011

<i>SERFF Tracking Number:</i>	<i>ISMI-127634351</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>ISMIE Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>ISMI-127634351</i>
<i>Company Tracking Number:</i>	<i>ISMIE 0000-65</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2000 Med Mal Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>ISMIE Mutual Rate and Rule Filing Effective 10/1/11</i>		
<i>Project Name/Number:</i>	<i>Rules and Rates/</i>		

Disposition

Disposition Date: 12/28/2011

Effective Date (New): 10/01/2011

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ISMI-127634351 State: Illinois

Filing Company: ISMIE Mutual Insurance Company State Tracking Number: ISMI-127634351

Company Tracking Number: ISMIE 0000-65

TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations

Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11

Project Name/Number: Rules and Rates/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document (<i>revised</i>)	Certification		Yes
Supporting Document	Certification		Yes
Supporting Document (<i>revised</i>)	Manual		Yes
Supporting Document	Manual		Yes
Supporting Document (<i>revised</i>)	Cover Letter and Sections with Highlighted Changes		Yes
Supporting Document	Cover Letter and Sections with Highlighted Changes		Yes
Supporting Document	Affected Pages		Yes
Supporting Document	Manual		Yes

SERFF Tracking Number: ISMI-127634351 State: Illinois
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Company Tracking Number: ISMIE 0000-65
TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/20/2011
Submitted Date 09/20/2011
Respond By Date 09/27/2011

Dear Jacinth Adams,

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
2. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate and/or rule filing for medical malpractice.
3. No pages were provided in this filing marked as Appendix V.

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.htm

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,
Gayle Neuman

SERFF Tracking Number: ISMI-127634351 State: Illinois
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Company Tracking Number: ISMIE 0000-65
TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/26/2011
Submitted Date 09/26/2011

Dear Gayle Neuman,

Comments:

Thank you for your review of our Manual of Rules and Rates effective 10/1/2011. Your objection listed three items for which we are responding in order below.

Response 1

Comments: 1) Our company does not gather statistics that are reported to statistical agencies. This is been also addressed in our revised cover letter attached below.

2) Below is a statement from our actuaries attesting to the sound actuarial principles on which our rates are based. The certification from an officer of ISMIE Mutual is included in the revised cover letter below.

3) The missing pages from Appendix 5 were sent to you last week; we again apologize for this oversight.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Certification

Comment: Actuarial Statement regarding ISMIE Mutual's October 1, 2011 Rates.

Satisfied -Name: Cover Letter and Sections with Highlighted Changes

Comment: Attached is the cover letter that lists each revision to the current Manual of Rules and Rates. Also attached with the cover letter are the affected pages of the manual with the changes highlighted in yellow. The rate charts, table of contents and the list of endorsements have been redated and are attached with Manual,

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let us know if you have any other questions or concerns.

Sincerely,

<i>SERFF Tracking Number:</i>	<i>ISMI-127634351</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>ISMIE Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>ISMI-127634351</i>
<i>Company Tracking Number:</i>	<i>ISMIE 0000-65</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2000 Med Mal Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>ISMIE Mutual Rate and Rule Filing Effective 10/1/11</i>		
<i>Project Name/Number:</i>	<i>Rules and Rates/</i>		

Gina Bules, Jacinth Adams

SERFF Tracking Number: ISMI-127634351 *State:* Illinois
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TOI: 11.2 Med Mal-Claims Made Only *Sub-TOI:* 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Note To Reviewer

Created By:

Jacinth Adams on 12/27/2011 04:19 PM

Last Edited By:

Gayle Neuman

Submitted On:

12/28/2011 08:52 AM

Subject:

Effective Date of Manual

Comments:

Hi Ms. Neuman,

Thank you for your note regarding the effective date of our Manual. We would indeed like to maintain an effective date of 10/1/2011.

SERFF Tracking Number: ISMI-127634351 State: Illinois
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Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Note To Filer

Created By:

Gayle Neuman on 12/20/2011 11:31 AM

Last Edited By:

Gayle Neuman

Submitted On:

12/28/2011 08:52 AM

Subject:

effective date

Comments:

The Department of Insurance completed its review of this filing on December 14, 2011. Originally, ISMIE Mutual requested the filing be effective October 1, 2011. Was the filing put in effect on October 1, 2011 or do you wish to have a different effective date?

Your prompt response is appreciated.

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TOI: 11.2 Med Mal-Claims Made Only *Sub-TOI:* 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Note To Reviewer

Created By:

Jacinth Adams on 11/14/2011 04:00 PM

Last Edited By:

Gayle Neuman

Submitted On:

12/28/2011 08:52 AM

Subject:

Manual

Comments:

Hi Ms. Neuman,

Just checking in to see if there are any further questions, actuarial or otherwise, for approval of our 10/1/11 Manual of Rules and Rates.

Regards,

Jacinth Adams

SERFF Tracking Number: ISMI-127634351 State: Illinois
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Company Tracking Number: ISMIE 0000-65
TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Amendment Letter

Submitted Date: 10/27/2011

Comments:

We are submitting a revision of Appendix III. This revision, in addition to the letter from Mr. Allphin dated October 19, 2011, is our formal response to Caryn Carmean's e-mail of 10/14/11 and the letter from Robert Walling at Pinnacle Actuarial Resources, Inc. Please let us know if anything else is required to approve ISMIE Mutual's Manual of Rules and Rates in its entirety. Thank you for your consideration.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: Manual

Comment: Revised Appendix III and Response to Actuarial Questions.

Appendix III revised .pdf

response to questions (2).pdf

SERFF Tracking Number: ISMI-127634351 State: Illinois
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Company Tracking Number: ISMIE 0000-65
TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Amendment Letter

Submitted Date: 09/20/2011

Comments:

Ms. Neuman, we have submitted a revised manual that includes Appendix V and also the highlighted version of the pages that were revised. We will respond to your first two questions within the week.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: Manual

Comment: Attached is the complete Manual for ISMIE Mutual Insurance Company. Revisions to the 10-1-2008 Manual are described in detail on the cover letter below. For easier reference, the Physician Rates and Allied Health Personnel Rates have been uploaded in separate attachments. Please note that other than the changes detailed in the cover letter, this Manual is unchanged from the previously filed manual submitted in 2008.

Physician Rates 10-11pdf.pdf

IL AHP Rates 10-1-11.pdf

Manual of Rules and Rates 10-11.pdf

User Added -Name: Affected Pages

Comment: This was referenced in my submission ; changes highlighted in yellow.

Affected Pages.pdf

SERFF Tracking Number:	ISMI-127634351	State:	Illinois
Filing Company:	ISMIE Mutual Insurance Company	State Tracking Number:	ISMI-127634351
Company Tracking Number:	ISMIE 0000-65		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2000 Med Mal Sub-TOI Combinations
Product Name:	ISMIE Mutual Rate and Rule Filing Effective 10/1/11		
Project Name/Number:	Rules and Rates/		

Supporting Document Schedules

	Item Status:	Status
		Date:

Bypassed - Item: Explanatory Memorandum

Bypass Reason: See below.

Comments:

	Item Status:	Status
		Date:

Bypassed - Item: Form RF3 - (Summary Sheet)

Bypass Reason: ISMIE's rates have not changed since 10/1/2008. The actuarial attachments/certifications that were submitted with Manual of Rules and Rates in 2008 are still valid.

Comments:

	Item Status:	Status
		Date:

Satisfied - Item: Certification

Comments:

Actuarial Statement regarding ISMIE Mutual's October 1, 2011 Rates.

Attachment:

092311_ISMIE Phy_Surg Rates Ltr-cert.pdf

	Item Status:	Status
		Date:

Satisfied - Item: Manual

Comments:

Revised Appendix III and Response to Actuarial Questions.

Attachments:

Appendix III revised .pdf

response to questions (2).pdf

	Item Status:	Status
		Date:

SERFF Tracking Number: ISMI-127634351 State: Illinois
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Product Name: ISMIE Mutual Rate and Rule Filing Effective 10/1/11
Project Name/Number: Rules and Rates/

Satisfied - Item: Cover Letter and Sections with
Highlighted Changes

Comments:

Attached is the cover letter that lists each revision to the current Manual of Rules and Rates. Also attached with the cover letter are the affected pages of the manual with the changes highlighted in yellow. The rate charts, table of contents and the list of endorsements have been redated and are attached with Manual,

Attachment:

rates rules cover letter 1011 revised.pdf

Item Status:

**Status
Date:**

Satisfied - Item: Affected Pages

Comments:

This was referenced in my submission ; changes highlighted in yellow.

Attachment:

Affected Pages.pdf

September 23, 2011

Mr. John Washburn
Senior Vice President
ISMIE Mutual Insurance Company
20 N. Michigan Avenue
Suite 700
Chicago, Illinois 60602-4822

Dear Mr. Washburn:

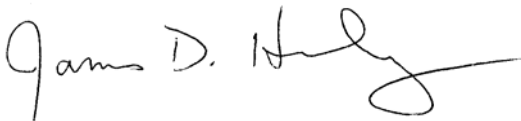
ISMIE Mutual Insurance Company P and S Rates

At your request, this letter is written to confirm that based on our review of ISMIE Mutual Insurance Company physician and surgeon medical professional liability data, we believe rates proposed to be effective October 1, 2011 are based on sound actuarial principles and are not inconsistent with company experience. Proposed rates are unchanged from current rates except for rates charged for Rock Island County. The latter rates reflect returning Rock Island to Territory 2C per reinsurer charges.

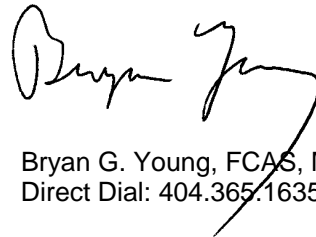
It should be noted that development of rates require assessments of future contingent events and that no guarantee can be made that proposed rates will be adequate or not excessive, however, we believe the proposed rates are reasonable to the current circumstances.

Please call if you should have questions.

Sincerely,



James D. Hurley, ACAS, MAAA
Direct Dial: 404.365.1632



Bryan G. Young, FCAS, MAAA
Direct Dial: 404.365.1635

APPENDIX III

RISK CHARACTERISTIC SURCHARGE PLAN

- A.** The Risk Characteristic surcharge plan is a fundamental element in the ISMIE Mutual Professional Liability Program. It establishes a review format for professional risk evaluation of physicians, by physicians, and provides an effective risk control mechanism for mitigating potential loss exposures. The objective of the Surcharge Plan is to encourage insured physicians to maintain high professional standards, thereby ensuring quality patient care and the stability of this professional liability program.
- B.** The following characteristics shall be considered in determining individual risk surcharges and physician group debits (i.e., percentage increase of standard premium) under the ISMIE Mutual Professional Liability Program:

<u>CHARACTERISTICS</u>	<u>TIER EVALUATION</u>
1. Any one claim (open or closed) found to involve questionable judgment or procedure as determined by the Physician Review and Evaluation Panel ("PREP").	Tier 1
2. Any one claim (open or closed) involving significant questionable judgment or procedure; or practice in an area significantly beyond training or competency; or any two claims (open or closed) involving questionable judgment or procedure as determined by the Physician Review and Evaluation Panel ("PREP").	Tier 2
3. Any one claim (open or closed) involving negligence; or three or more cases (open or closed) involving questionable judgment or procedure; two or more cases (open or closed) involving significant questionable judgment or procedure; or a combination of these characteristics regardless of disposition as determined by the Physician Review and Evaluation Panel ("PREP"); or claim frequency as determined by specialty; or any other adverse underwriting characteristics such as, but not limited to, hospital staff privileges subject to disciplinary action, Licensing Board disciplinary action, etc.	Tier 3

APPENDIX III

4. A pattern of claims reflecting inappropriate medical care; including practicing outside of one's specialty; excessive patient volume or other practice patterns which compromise quality of care; or a pattern of cases reflecting a significant breach in the standard of care regardless of ultimate disposition as determined by the Physician Review and Evaluation Panel ("PREP") or any other adverse risk characteristics as determined by PREP which represents a significant exposure, combined with claim frequency as determined by specialty, and a loss ratio of 120% or greater.	Tier 4
---	---------------

- C.** The following table converts the Tier Evaluation to the surcharge percent that is to be applied to the insured's standard premium, determined in accordance with the rating rules of this manual. The percentage (%) is always applied to the insured's annual base premium. Part-time rating, suspended coverage, the newly practicing physician discount, or subsequent procedure reduction shall not operate to decrease the amount of the surcharge otherwise due.

	<u>TIER EVALUATION</u>			
TIER:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
PERCENTAGE (%):	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>

- D.** The following rules govern the application and duration of surcharges and policy exclusions established through the Surcharge Plan:
1. A surcharge may be applied at the inception of the policy or at any subsequent policy renewal thereafter.
 2. Ultimate disposition of a previously evaluated "open" claim shall not affect the originally assessed surcharge.

APPENDIX III

3. Surcharges shall remain in effect in accordance with the following table:

<u>SURCHARGE %</u>	<u>DURATION</u>
25%	12 Months
50%	24 Months
75%	24 Months minimum, subject to reevaluation by "PREP" at the expiration of 24 months.
100%	24 Months minimum, subject to re-evaluation by "PREP" at the expiration of 12 months.

4. Imposition of surcharges and other indicated actions may be accomplished by the Physician Review and Evaluation Panel ("PREP") which serves as consultant to the Underwriting Division. Surcharges and other indicated actions may only be reconsidered bi-annually by the originating source or may be reviewed by "PREP" in accordance with the following note below, providing the applicant or insured requests such reconsideration or review in writing within six months following notification by the Company.

NOTE: The insured is obliged to make payment of the surcharge during the pendency of the reconsideration or review process. If the surcharge is eliminated or reduced, the decision shall be applied retroactive to the original effective date.

5. The imposition of a surcharge disqualifies insureds from receiving any discount offered to participants of a group program (e.g., IPA, network, or purchasing group).
6. A medical procedure exclusion, practice activity exclusion, and/or a curtailment of policy limits of liability may be imposed at the inception of the policy or any policy renewal thereafter. Any of these actions qualifies for review by the "PREP" Committee, provided the insured requests such reconsideration in writing within six months following notification by the Company.

NOTE: These kinds of coverage restrictions are generally intended to apply for an indefinite period. However, in the case of a medical procedure exclusion, after the exclusion has been in effect for a minimum of six (6) months, the insured may request consideration for removal of the exclusion upon furnishing satisfactory evidence of retraining or other appropriate medical testimony. Such a request may only be made once in any twelve (12) month period.

APPENDIX III

- E. At its discretion, PREP may recommend any ISMIE Mutual Risk Management or continuing Medical Education activity in addition to a surcharge and/or medical procedure exclusion.

GENERAL STATEMENT

The provisions of this plan affect the underwriting treatment of both new applicants and existing policyholders. In the case of a new applicant who has been declined by either the Underwriting Division or "PREP", depending on the reason(s) for declination, the opportunity may be extended to the applicant to meet personally with "PREP" in order to review the declination decision. "PREP" may overturn, or otherwise modify an Underwriting Division decision but only in accordance with the procedure outlined in the PREP Committee Administrative Rules.

Any existing policyholder subject to policy cancellation or non-renewal may, depending on the reason(s) for policy cancellation or non-renewal and upon timely request, be granted the opportunity to request an appeal. Such request for appeal shall be heard by a Committee appointed by ISMIE Mutual's Board of Directors. The outcome of this review shall be binding on both the policyholder and ISMIE Mutual.

October 19, 2011

Robert J. Walling, FCAS, MAAA
Principle and Consulting Actuary
Pinnacle Actuarial Resources, Inc.
2817 Reed Road, Suite 2
Bloomington, Illinois 61704-8295
[delivered via e-mail to: rwalling@pinnacleactuaries.com]

Re: ISMIE Mutual Insurance Company
Rate and Rule Filing Effective October 1, 2011
Filing #: ISMIE 0000-65

Dear Mr. Walling:

This is in response to your letter to me dated October 14, 2011, which was attached to an e-mail of the same date. I will respond to your questions in the order presented.

Question #1:

We have reviewed Appendix III, 'Risk Characteristic Surcharge Plan', of ISMIE Mutual's Manual of Rules and Rates and the potential interaction of the following elements:

- The surcharge plan;
- the loss experience component within the Schedule Rating Debit (Item D on page 2 on Appendix III); and
- the loss experience calculation as specified in Appendix IV and Appendix V of ISMIE Mutual's Manual of Rules and Rates.

As a result of this review, ISMIE Mutual will withdraw Item D on page 2 of Appendix III, as well as any reference to 'debit', 'physician group debit' or the Physician Review and Evaluation Panel's ('PREP') ability to establish any such debit, also with Appendix III.

Question #2:

We have reconsidered the Tier 4 surcharge. We will change this to 100% only, so that it will not be expressed as a range.

Question #3:

Individual physicians are not eligible for schedule rating.

Robert J. Walling, FCAS, MAAA
October 19, 2011
Page 2

We will submit (via SERFF) revised Appendix III (pages 2, 3 and 4) if you agree these changes are acceptable to allow you to recommend acknowledgement of the captioned filing without further support.

Please let me know if you have any questions about ISMIE Mutual's response to your questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Alphin". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alan J. Alphin
Vice President, Underwriting

Cc: Judy Mottar
Caryn Carmean
Neetha Mamoottile
Illinois Department of Insurance.



Via SERFF - Revised

September 26, 2011

Mr. Jack Messmore, Acting Director
Illinois Department of Insurance
Property and Casualty Compliance Section
320 West Washington Street
Springfield, IL 62767-0001

Re: ISMIE Mutual Insurance Company
Rate and Rule Filing Effective October 1, 2011

Dear Acting Director Messmore:

This constitutes a filing of professional liability insurance rules and rates made on behalf of the ISMIE Mutual Insurance Company in accordance with the requirements of Section 155.18 of the Illinois Insurance Code.

The following pages of the Manual of Rules and Rates have been revised as indicated below. They are being submitted for your review and approval for use by ISMIE Mutual in Illinois effective October 1, 2011.

Table of Contents

The table has been updated to reflect current page numbers.

General Rules

Pages 1, 5, 10 and 11....Reference to “allied health personnel (separate limits)” has been added for clarification purposes under items A., C. and 7., respectively.

Page 4.....Under the Minimum Premium Rule, 27.5% has been changed to 20%.

Pages 21 to 24.....The list of Endorsements and Forms has been updated.

Appendix I

Pages 1 to 36....The Rate chart has been updated to include a new specialty code for Dermatology with Tumescant Liposuction (class 4). Territory 2E has been discontinued, moving Rock Island County back to Territory 2C (as determined by our reinsurers).

Page 1.....Two notes have been added to clarify that the mature factor applies to AHP's premium and tail.

Page 2.....The territory definitions have been updated under item I.

Page 21.....The risk rewards discount available to policyholders has been updated under Item C.

Pages 1 to 6.....The AHP Rate chart has been updated to reflect the discontinuation of Territory 2E.

Appendix II

Page 1....."State of Illinois" has been replaced by "state identified in the mailing address..." under item B.

Appendix III

Page 2.....The schedule rating debit that may be applied to a group by PREP has been updated under item D.

Appendix IV

Page 4.....The years of practice experience have been changed to 4 for loss experience and to 1 for schedule rating under items 3. and 4.

Appendix V

Pages 2 and 3...The years of practice experience have been changed to 4 for loss experience and to 1 for schedule rating under items D. 3. and 4.

* * * * *

Mr. Jack Messmore, Acting Director
September 26, 2011
Page 3

ISMIE believes rates proposed to be effective October 1, 2011 are based on sound actuarial principles and are not inconsistent with company experience. Proposed rates are unchanged from current rates except for rates charged for Rock Island County. The latter rates reflect returning Rock Island to Territory 2C per reinsurer charges.

Additionally, ISMIE gathers statistics which we supply to our actuaries for rate making purposes but does not report to, or use, a rating agency.

Please contact Alan Allphin, Vice President, Underwriting at (312) 580-2432 or at alanallphin@ismie.com if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John Washburn". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Washburn".

John Washburn
Senior Vice President

cc: Alexander R. Lerner
Jeffrey M. Holden
Richard King
Cheryl Koos
Alan Allphin

Attachments

ISMIE MUTUAL INSURANCE COMPANY
MEDICAL PROFESSIONAL LIABILITY
CLAIMS MADE INSURANCE PLAN

GENERAL RULES
(Effective October 1, 2011)

I. GENERAL INSTRUCTIONS

This manual contains the rules and rates governing the underwriting of Physician, Professional Entity and Physician Clinic Professional Liability insurance written on a claims-made policy form.

Additional exposure risks, for which coverage is provided on or after the effective dates of any changes in this manual, either by endorsement of outstanding policies or by the issuance of separate policies, shall be written on the basis of the rates and rules in effect at the time the coverage is provided.

The following requirements shall be observed in the preparation of policies for insurance covered by this manual:

- A.** On policies issued to individual physicians or allied health personnel (separate limits), the NAMED INSURED shall be identified in the Declarations page by name and rating medical specialty.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a covered sole shareholder medical corporation) or by number (in the case of designated Allied Health Personnel employees).

- B.** On policies issued to professional entities whose qualification for said policy is established in **Appendix II**, the NAMED INSURED shall be identified on the Declarations page by its legal name.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a legal entity), or by number (in the case of designated Allied Health Personnel employees).

- C.** On policies issued to physician clinics (whose qualification for said policy is established in **Appendix IV**), the NAMED INSURED shall be identified on the Declarations page by its legal name.

VII. RATES AND PREMIUM CALCULATION (Cont'd.)

- C. CALCULATION OF PREMIUM.** The premium shall be determined on the basis of the units of exposure existing at policy inception and shall be calculated in accordance with the applicable rates, and rating plans contained or referenced in this manual. The developed premium is billed on a quarterly basis and shall be rounded to the nearest whole dollar. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. Interim premium adjustments including endorsements shall be calculated pro rata.
- D. MINIMUM PREMIUM RULE.** Subject to the Calculation of Premium procedures described above:
1. No Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) may be issued under this plan for a premium charge of less than the equivalent of 20% of the lowest offered specialty rating currently in effect in the insured physician's applicable rating territory and maturity year for liability limits of \$500,000/\$1,500,000.
 2. No Professional Entity Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) may be issued for less than a premium charge of \$400 per year.
- E. SURCHARGE PLANS.** The standard premiums in this manual are subject to a percentage increase based on defined risk characteristics and rules of applicability contained in the Surcharge Plan (**Appendix III**). A surcharge may be modified in accordance with the rules of the Surcharge Plan.
- F. MATURITY YEAR.** Each policyholder (whether a(n) individual physician, professional entity or physician clinic) shall, each policy period, have a designated maturity year. The measurement of the maturity year begins on the policyholder's RETROACTIVE DATE and advances each subsequent year thereafter until maturity is achieved.

Note: The policyholder's selected RETROACTIVE DATE cannot be changed after the policy is issued.

VIII. CANCELLATION / NON-RENEWAL

- A. BY ISMIE MUTUAL.** The earned premium shall be determined on a pro rata basis by multiplying the number of units of exposure for the period the policy was in force by the applicable rates.
- B. BY THE NAMED INSURED.** The earned premium shall be determined as the difference between written and return premium. Return premium will be calculated at 90% of pro rata. The earned premium so calculated shall also be subject to the Minimum Premium Rule. If cancellation is due to death, retirement or disabling illness, the earned premium shall be calculated on a pro rata basis.
- C. REPORTING ENDORSEMENT.** The rate schedule at the beginning of **Appendix I** contains the factors to be applied to the annual expiring premium for the purchase of a Reporting Endorsement. The purchase of said endorsement is applicable in the following circumstances:
- Upon policy termination of an individual physician or allied health personnel with separate limits insured on Form No. AP-1300
 - Upon policy termination of a professional entity, or limited liability company insured on Form No. AP-1300
 - Upon policy termination of a physician clinic insured on Form No. AP-1300, and
 - Upon severance of the relationship between an ADDITIONAL NAMED INSURED physician and the physician clinic (both insured on Form No. AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician. Either the NAMED INSURED or the ADDITIONAL NAMED INSURED physician may purchase a Reporting Endorsement on behalf of the ADDITIONAL NAMED INSURED physician.

The purchase of a Reporting Endorsement is subject to the terms and conditions specified in the standard policy.

1. The Reporting Endorsement premium for an individual physician **or allied health personnel with separate limits** (Form No. AP-1300) is subject to the NAMED INSURED's specialty, territory and limits of liability in effect as of the policy termination date. Notwithstanding the provisions of Section XII, "Supplementary Rules", Paragraph A-5, "Changes in Limits of Liability-Six Month Advance Notice", the NAMED INSURED may lower the limits of liability one day prior to the policy termination date.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

5. In the event of severance of the relationship between an ADDITIONAL NAMED INSURED physician and the NAMED INSURED physician clinic (both insured on Form AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician, either party may purchase a Reporting Endorsement on behalf of the physician. Such Reporting Endorsement premium shall be calculated as described in subparagraph 1.

Under these circumstances of severance between the parties, the ADDITIONAL NAMED INSURED shall be deleted by endorsement from the Physician Clinic policy. A separate policy (Form No. AP-1300) shall then be issued to the physician and the Reporting Endorsement for said physician shall be attached to this policy.

6. All premiums for the Reporting Endorsement are payable as of the due date shown on the Reporting Endorsement invoice. Any such premium not paid as of the due date shall be in default and shall be grounds for deleting the Reporting Endorsement. Any premium received after the due date shall be refunded within ten (10) business days and the Reporting Endorsement will be deleted.
7. A physician or allied health personnel (separate limits) may be granted a Reporting Endorsement without cost under the following circumstances:
 - a. Death
 - b. Disability (as defined in the policy--Form No. AP-1300), and
 - c. Retirement
 - i. "Retirement" means the permanent conclusion of and complete withdrawal from one's working or professional career as a physician or allied health personnel (separate limits)
 - ii. A credit toward the purchase of the Reporting Endorsement is computed as follows:
 - one-sixtieth (1/60) of the premium for each consecutive full month the physician or allied health personnel (separate limits) has had coverage with ISMIE Mutual for up to a total credit of 100% if the physician or allied health personnel (separate limits) has attained the age of fifty-five, or

Note: Policies written with an effective date prior to 7/1/03, which cancel after 7/1/03 will include any non-consecutive months in their credit.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. **REPORTING ENDORSEMENT.** (Cont'd.)

7. (Cont'd)

- one one-hundred twentieth (1/120) of the premium for each consecutive full month the physician **or allied health personnel** has had coverage with ISMIE Mutual for up to a total credit of 100%, regardless of the physician's or allied health personnel's age at retirement.

Note: Waiver of the full premium for a Reporting Endorsement based on retirement will be granted only once to a physician or allied health personnel.

- iii. Coverage with previous claims-made carriers may be substituted in lieu of ISMIE Mutual coverage so long as the physician is insured with ISMIE Mutual for at least one year prior to requesting the Reporting Endorsement.
8. A physician previously granted a Reporting Endorsement without cost because of retirement may, in the future, be considered for insurance with ISMIE Mutual under the following circumstances:
- a. Completion of an application for insurance and verification of appropriate CME courses;
 - b. Reapplication within two years of the retirement/cancellation date;
 - c. Has reported no claims or suits under the ISMIE Mutual tail; and,
 - d. Payment of the appropriate premium charge for the period the policy is either placed on suspended coverage or is rated part-time, 20%, Retired, Not in Practice and, at the same limits of liability, territory and maturity year in effect at the time of cancellation.
9. The premium calculated above in subparagraphs 1, 3 or 4 is subject to proration depending upon the policy termination date and the NAMED INSURED's maturity year.
- a. **Maturity Year One** – The Reporting Endorsement premium shall be computed on a pro rata basis for each day the policy has been in force and shall be rounded to the nearest whole dollar.
 - b. **Maturity Year Two Through Maturity Year Six** – The Reporting Endorsement premium shall be the composite of the prorated difference between the Reporting Endorsement premium at the end of the current policy period and the premium that would have been charged in the preceding policy period if the policy had been cancelled on the same date added to the Reporting Endorsement premium that would have been charged in the preceding policy period if the policy had been cancelled on the same date.
 - c. **Maturity Year Seven** – is not subject to proration.

APPENDIX I

EXPLANATORY NOTES:

The following represent the maturity factors to be applied in the event a policyholder is insured for less than seven years with ISMIE Mutual:

<u>Year</u>	<u>Factor</u>
1st	.250
2nd	.500
3rd	.780
4th	.925
5th	.950
6th	.975
7th	1.000

NOTE: The premium of Allied Health Personnel with separate limits is calculated by applying the 7th year maturity factor only.

The following represent the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

<u>Year</u>	<u>Factor</u>
1st	3.306
2nd	3.153
3rd	2.401
4th	2.178
5th	2.196
6th	2.183
7th	2.180

NOTE: The reporting endorsement premium of Allied Health Personnel with separate limits is calculated by applying the 7th year tail factor only.

EXPLANATORY NOTES:

- I. Territory 1** includes the Counties of Cook, Jackson, Madison, St. Clair, and Will.
- Territory 1A** includes the County of Vermilion.
- Territory 1B** includes the Counties of Kane, Lake, McHenry, and Winnebago.
- Territory 2** includes the County of Kankakee.
- Territory 2A** includes the Counties of Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, and Randolph.
- Territory 2B** includes the County of Grundy.
- Territory 2C** includes the Counties of Adams, Knox, Peoria, and Rock Island.
- Territory 2D** includes the County of Sangamon.
- Territory 3** includes the remaining Counties in Illinois.

- II.** The following defines the medical procedure terms referenced in the listing of medical specialty designations/rates.

A. Specified Minor Risk Procedures (SMRP)

- 1. Cardiologists

Assisting in surgery, insertions of cardiac pacemaker (temporary or permanent), pericardiocentesis.

Cardiologists who perform the specified risk procedures listed will be rated accordingly. Performance of other minor risk procedures not specified will increase the premium charge.

B. Minor Risk Procedures (MRP)

Except as noted under A. 1, physicians with nominal specialty designation/risk notation of NMRP performing any of the following minor risk procedures will be assigned to a specialty designation/risk notation of MRP.

Interventional Cardiology

- 1. Angiography.
- 2. Arteriography.

EXPLANATORY NOTES:

XIII. Risk Rewards Discount

Existing physician and allied health personnel insureds may qualify for a discount in premium based on the following criteria:

- A.** Completion of an ISMIE Mutual-sponsored risk management component (e.g., seminar, self-study program).
- B.** Achievement of a minimum passing score for each component taken.
- C.** An insured may earn and receive either:
 - 1. A maximum discount of 15% for 2 years by becoming a Managing Risk Premier Partner; or
 - 2. A maximum discount of 10% for 2 years by becoming a Managing Risk Fellow; or
 - 3. A maximum discount of 10% for 1 year by becoming a Managing Risk Partner.
- D.** Applies to all physician medical specialties, except “Physician, Treating Patients in Free Medical Clinic.”
- E.** Applies to all Allied Health Personnel for which a premium is charged.
- F.** Points earned during the following calendar years will be applied to the corresponding annual renewal period as indicated in the table below:

Calendar Year	Renewal on or after
2010	7/1/11
2011	7/1/12
2012	7/1/13
2013	7/1/14
2014	7/1/15
2015	7/1/16
2016	7/1/17
2017	7/1/18
2018	7/1/19
2019	7/1/20
2020	7/1/21

APPENDIX II

PROFESSIONAL ENTITY LIABILITY RULES AND RATES

A. ELIGIBILITY

To be eligible for ISMIE Mutual Professional Entity Professional Liability Insurance, a partnership, *sole shareholder medical corporation, or multi-shareholder medical corporation must conduct a medical business that is owned and operated by physicians for the purpose of providing patient services. Such services must be related to the physician owners medical practice specialty, or professional qualifications and be rendered by the physician owners, or other qualified physicians and/or allied health personnel employed by the physician owners in the name of the professional entity.

(*Insurance for sole shareholder professional entities where separate limits of liability are not desired is provided through the ISMIE Mutual Individual Physician Professional Liability Insurance Plan policy without additional premium charge.)

B. INSURABILITY

Determination of eligibility is made on the basis of a completed insurance application form entitled "Application for Medical Partnership/Corporation Professional Liability", form number BA-3000. If the medical business to be insured is otherwise eligible, it is mandatory that all physician partners, shareholders, officers, directors and employees of the partnership or medical corporation be individually insured with ISMIE Mutual for limits of liability at least equal to those desired by the partnership or medical corporation.

Exception: The requirements for individual insurance with ISMIE Mutual may be waived without affecting the professional entity's eligibility, under circumstances where a partner, shareholder, officer, director or employed physician has no need for or cannot obtain personal professional liability insurance with ISMIE Mutual (e.g., a retired physician, a physician on leave of absence, a physician not primarily practicing in the **state identified in the mailing address** on the Declarations page or the state of practice identified in the application for insurance, a physician declined for underwriting reasons, etc.). In such cases, the policy issued to the professional entity by ISMIE Mutual shall be endorsed to exclude liability arising out of the acts or omissions of any such uninsured physician. This is accomplished by means of attaching form BE-3506 "Acts or Omissions of Others" Exclusion Endorsement.

APPENDIX III

4. A pattern of claims reflecting inappropriate medical care; including practicing outside of one's specialty; excessive patient volume or other practice patterns which compromise quality of care; or a pattern of cases reflecting a significant breach in the standard of care regardless of ultimate disposition as determined by the Physician Review and Evaluation Panel ("PREP") or any other adverse risk characteristics as determined by PREP which represents a significant exposure, combined with claim frequency as determined by specialty, and a loss ratio of 120% or greater.	Tier 4
---	---------------

- C. The following table converts the Tier Evaluation to the surcharge percent that is to be applied to the insured's standard premium, determined in accordance with the rating rules of this manual. The percentage (%) is always applied to the insured's annual base premium. Part-time rating, suspended coverage, the newly practicing physician discount, or subsequent procedure reduction shall not operate to decrease the amount of the surcharge otherwise due.

	<u>TIER EVALUATION</u>			
TIER:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
PERCENTAGE (%):	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100-200%</u>

- D. The following debits may be applied to a physician group:

A Schedule Rating Debit (up to a maximum of 25%) may be applied according to the following schedule:

	<u>DEBIT UP TO</u>
Loss Experience	25%
Professional Skill and Competency	10%
Organizational Structure and Size	10%
Patient Rapport	10%
Classification Anomalies	3%
Claim Anomalies	3%

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

D. The following credits/debits are available to the physician clinic:

	debit	credit
1. Loss Experience Calculation	25%	-25%
Schedule Rating	25%	-25%
Maximum combined Loss Experience Calculation and Schedule Rating: +/-50.0%		

NOTE: Any established debit must be imposed for a minimum of two years.

2. The combination of schedule rating and loss-free discount may not exceed a 69.5% credit.

3. **Application of Loss Experience Calculation:**

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least four years of practice experience.

Formula: $((\text{Actual Loss} * \text{Credibility}) / \text{Expected Losses}) + (1 - \text{Credibility})$.

Maximum debit/credit for Loss Experience Calculation will be +/-25%.

4. **Application of Schedule Rating:**

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least one year of practice experience.

Maximum debit/credit for Schedule Rating will be +/-25%.

5. **Schedule Rating Components:**

	debit	credit
I. Professional Skill and Competency: maximum debit/credit of combined items a through i	10%	-10%
a. Demonstrated effectiveness of group's hiring and on-going credentialing process for new and existing staff, including both physicians and non-physicians.	5%	-5%
b. Board certification for physicians/other certification for non-physicians: percentage of group.	5%	-5%
c. Group is accredited by a recognized body.	0%	-5%
d. Treatment of patients is limited to qualified individuals (both physician and non-physician).	3%	-3%
e. Delegation of medical treatment to non-physicians is reasonable, monitored and included in the group's practice protocols.	2%	-2%
f. Continuing professional education is expected and compliance is monitored.	5%	-5%
g. Hospital affiliations are geographically proximate and reflect professional competency of the group.	2%	-2%
h. Demonstrated ability to treat the variability of the patient population within the patient's service area.	3%	-3%
i. Appropriate utilization of group's equipment, including all necessary procedures and diagnostic tests.	2%	-2%

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION (Cont'd.)

- B.** The limits of liability available to both the individual physician and the entity are either \$1,000,000/\$3,000,000 or \$2,000,000/\$4,000,000. All partners, officers, directors, shareholders, employees or members of the physician group must carry limits of liability at least equal to that of the entity described in subparagraphs A-2 and A-4-b.
- C.** The premium shall be the sum of:
1. the rate applicable to each physician's territory, specialty, limits of liability and maturity year which appears on the rate schedule in **Appendix I**;
 2. plus, the rate applicable to the entity noted in **Appendix II**;
 3. plus, the appropriate per person rate for each Allied Health Personnel whose rate appears on the rate schedule in **Appendix I**;
 4. minus, any loss-free discount;
 5. minus, any risk rewards discount;
 6. plus or minus, any applicable debit or credit specified in paragraph D;
 7. plus, any established surcharge.
- D.** The following credits/debits are available to the physician group:

	debit	credit
1. Loss Experience Calculation	25%	-25%
Schedule Rating	25%	-25%
Maximum combined Loss Experience Calculation and Schedule Rating: +/-50.0%		

NOTE: Any established debit must be imposed for a minimum of two years.

2. The combination of loss experience calculation, schedule rating and loss-free discount may not exceed a 69.5% credit.
3. **Application of Loss Experience Calculation:**
Will be applied only to group business; group must consist of two or more physicians.
Will be applied to both existing ISMIE Mutual and new business with at least **four** years of practice experience.
Formula: $((\text{Actual Loss} * \text{Credibility}) / \text{Expected Losses}) + (1 - \text{Credibility})$.
Maximum debit/credit for Loss Experience Calculation will be +/-25%.

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION (Cont'd.)

D. (Cont'd.)

4. Application of Schedule Rating:

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least one year of practice experience.

Maximum debit/credit for Schedule Rating will be +/-25%.

5. Schedule Rating Components:

	debit	credit
I. Professional Skill and Competency: maximum debit/credit of combined items a through i	10%	-10%
a. Demonstrated effectiveness of group's hiring and ongoing credentialing process for new and existing staff, including both physicians and non-physicians.	5%	-5%
b. Board certification for physicians/other certification for non-physicians: percentage of group.	5%	-5%
c. Group is accredited by a recognized body.	0%	-5%
d. Treatment of patients is limited to qualified individuals (both physician and non-physician).	3%	-3%
e. Delegation of medical treatment to non-physicians is reasonable, monitored and included in the group's practice protocols.	2%	-2%
f. Continuing professional education is expected and compliance is monitored.	5%	-5%
g. Hospital affiliations are geographically proximate and reflect professional competency of the group.	2%	-2%
h. Demonstrated ability to treat the variability of the patient population within the patient's service area.	3%	-3%
i. Appropriate utilization of group's equipment, including all necessary procedures and diagnostic tests.	2%	-2%
II. Organizational Structure and Size: maximum debit/credit of combined items a through e.	10%	-10%
a. Group delivers quality care in the context of the group's economy of scale.	3%	-3%
b. Existence of a Quality Review Committee which considers outcomes of patient treatment, as well as unexpected results, and integrates solutions into the group's practice protocols.	5%	-5%
c. Existence of a committee which reviews medical utilization, existing and anticipated treatment protocols and clinical guidelines and enforces compliance within the group.	5%	-5%
d. Ongoing process, with adequate resources, for the care and maintenance of premises and equipment.	2%	-2%
e. Established budgetary process for the expected replacement of premises and equipment.	2%	-2%

<i>SERFF Tracking Number:</i>	<i>ISMI-127634351</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>ISMIE Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>ISMI-127634351</i>
<i>Company Tracking Number:</i>	<i>ISMIE 0000-65</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2000 Med Mal Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>ISMIE Mutual Rate and Rule Filing Effective 10/1/11</i>		
<i>Project Name/Number:</i>	<i>Rules and Rates/</i>		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/19/2011	Supporting	Certification Document	09/26/2011	
09/20/2011	Supporting	Manual Document	10/27/2011	Physician Rates 10-11pdf.pdf (Superceded) IL AHP Rates 10-1-11.pdf (Superceded) Manual of Rules and Rates 10-11.pdf (Superceded)
09/19/2011	Supporting	Cover Letter and Sections with Document Highlighted Changes	09/26/2011	rates rules cover letter 1011 091911 900 am.pdf (Superceded)
09/19/2011	Supporting	Manual Document	09/20/2011	Manual of Rules and Rates 10-11.pdf (Superceded) Physician Rates 10-11pdf.pdf IL AHP Rates 10-1-11.pdf

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1: COUNTIES Cook, Jackson, Madison, Saint Clair, Will

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	11,976	16,088	21,640
Anesthesiology	80151	28,688	39,488	53,112
Anesthesiology-Pain Management	80182	28,688	39,488	53,112
Bariatrics	81076	23,544	32,288	43,428
Cardiac Surgery-MRP, NMajS	82042	33,832	46,688	62,796
Cardiac Surgery	80141	91,688	127,684	187,952
Cardiovascular Disease-NMRP, NS	80255	26,116	35,888	48,268
Cardiovascular Disease-Spec. MRP	82058	33,832	46,688	62,796
Cardiovascular Disease-MRP	80281	40,260	55,688	74,900
Colon Surgery	85004	42,832	59,288	79,744
Dermatology	80256	15,832	21,488	28,900
Dermatology with Tumescent Liposuction	81087	23,544	32,288	43,428
Diabetes	80237	23,544	32,288	43,428
Emergency Medicine-NMajS, prim	80102	40,260	55,688	74,900
Emergency Medicine-MajS	80157	47,972	66,488	92,752
Endocrinology	80238	15,832	21,488	28,900
Family Practice-NMRP, NS	80239	23,544	32,288	43,428
Family Practice-MRP, NMajS	80273	36,404	50,288	67,636
Family Practice-not primarily MajS	83009	50,544	70,088	97,772
Forensic Medicine	80240	11,976	16,088	21,640
Gastroenterology	80241	33,832	46,688	62,796
General Practice-NMRP, NS	80242	23,544	32,288	43,428
General Practice-MRP, NMajS	80275	36,404	50,288	67,636
General Practice-NMajS, prim.	80117	50,544	70,088	97,772
General Surgery-NMRP	84076	23,544	32,288	43,428
General Surgery-MRP, NMajS	82074	33,832	46,688	62,796
General Surgery	80143	71,116	98,888	137,948
Geriatrics	80243	15,832	21,488	28,900
Gynecology-NMRP, NS	81050	27,404	37,688	50,692
Gynecology/Obstetrics-MRP, NMajS	80277	42,832	59,288	79,744
Gynecological Surgery	86053	47,972	66,488	92,752
Hand Surgery-MRP, NMajS	82044	33,832	46,688	62,796
Hand Surgery	80169	47,972	66,488	92,752

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1: COUNTIES Cook, Jackson, Madison, Saint Clair, Will

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	47,972	66,488	92,752
Hematology	80245	23,544	32,288	43,428
Hospitalist, Family Practice	81083	27,404	37,688	50,692
Hospitalist, Internal Medicine	81084	27,404	37,688	50,692
Hospitalist, Pediatrics	81085	27,404	37,688	50,692
Industrial Medicine	80233	23,544	32,288	43,428
Infectious Disease	80246	26,116	35,888	48,268
Internal Medicine-NMRP	80257	27,404	37,688	50,692
Internal Medicine-MRP	80284	33,832	46,688	62,796
Neonatology	83015	71,116	98,888	145,564
Nephrology-NMRP	80260	26,116	35,888	48,268
Nephrology-MRP	80287	29,972	41,288	55,532
Neurology	80261	33,832	46,688	62,796
Neurosurgery-NMRP, NMajS	81045	23,544	32,288	43,428
Neurosurgery-MRP, NMajS	82045	38,972	53,888	72,480
Neurosurgery-No Intracranial Surgery	86027	107,116	149,284	219,748
Neurosurgery	80152	163,684	228,484	346,152
Nuclear Medicine	80262	23,544	32,288	43,428
Obstetrical/Gynecological Surgery	80153	99,400	138,484	203,848
Occupational Medicine	80079	11,976	16,088	21,640
Oncology	80259	23,544	32,288	43,428
Ophthalmology-NS	80263	15,832	21,488	28,900
Ophthalmic Surgery	80114	23,544	32,288	43,428
Oral/Maxillofacial Surgery	86154	23,544	32,288	43,428
Orthopaedics-NMRP, NS	81057	23,544	32,288	43,428
Orthopaedics-MRP, NMajS	82025	33,832	46,688	62,796
Orthopaedic Surgery w/o Spine	86026	76,260	106,084	156,156
Orthopaedic Surgery w/Spine	80154	107,116	149,284	219,748
Otorhinolaryngology-NMRP, NS	80060	11,976	16,088	21,640
Otorhinolaryngology-MRP, NMajS	80291	33,832	46,688	62,796
Otorhinolaryngology; No Elective Plastic	80159	40,260	55,688	74,900
Otorhinolaryngology; Head/Neck	80155	47,972	66,488	92,752
Otorhinolaryngology; Other than Head/Neck	86155	71,116	98,888	145,564

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1: COUNTIES Cook, Jackson, Madison, Saint Clair, Will

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	15,832	21,488	28,900
Pediatrics-NMRP	80267	17,116	23,288	31,324
Pediatrics-MRP	80293	33,832	46,688	62,796
Physical Med. & Rehab.	80235	11,976	16,088	21,640
Plastic Surgery	80156	71,116	98,888	145,564
Podiatry, No Surgery	86601	15,832	21,488	28,900
Podiatry, Surgery	86602	29,972	41,288	55,532
Psychiatry	80249	15,832	21,488	28,900
Public Health & Preventive Medicine	80236	11,976	16,088	21,640
Pulmonary Diseases	80269	29,972	41,288	55,532
Radiology-NMRP	80253	29,972	41,288	55,532
Radiology-MRP	80280	33,832	46,688	62,796
Radiology-MajRP	83033	42,832	59,288	79,744
Radiation Oncology	87047	20,976	28,688	38,584
Rheumatology	80252	15,832	21,488	28,900
Sleep Medicine	81086	27,404	37,688	50,692
Thoracic Surgery-NMRP, NS	81065	23,544	32,288	43,428
Thoracic Surgery	80144	91,688	127,684	187,952
Urological Surgery	80145	38,972	53,888	72,480
Urology-MRP, NMajS	82040	33,832	46,688	62,796
Vascular Surgery-MRP, NMajS	82050	33,832	46,688	62,796
Vascular Surgery	80146	91,688	127,684	187,952
Physician, Clinical Practice Not Insurable	80086	2,396	3,216	4,328
Retired, Not in Practice	80179	2,396	3,216	4,328
Physician, No Clinical Practice	80085	2,396	3,216	4,328
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	11,976	16,088	21,640
Other, Specialty NOC	88002	15,832	21,488	28,900
Other, Specialty NOC	88003	17,116	23,288	31,324
Other, Specialty NOC	80268	23,544	32,288	43,428
Other, Specialty NOC	88005	27,404	37,688	50,692
Other, Specialty NOC	88006	26,116	35,888	48,268
Other, Specialty NOC	88007	29,972	41,288	55,532

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1: COUNTIES Cook, Jackson, Madison, Saint Clair, Will

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	33,832	46,688	62,796
Other, Specialty NOC	88009	28,688	39,488	53,112
Other, Specialty NOC	88010	38,972	53,888	72,480
Other, Specialty NOC	83041	42,832	59,288	79,744
Other, Specialty NOC	84042	47,972	66,488	92,752
Other, Specialty NOC	88013	50,544	70,088	97,772
Other, Specialty NOC	88014	71,116	98,888	145,564
Other, Specialty NOC	85043	76,260	106,084	156,156
Other, Specialty NOC	88016	91,688	127,684	187,952
Other, Specialty NOC	86044	99,400	138,484	203,848
Other, Specialty NOC	88018	107,116	149,284	219,748
Other, Specialty NOC	88019	36,404	50,288	67,636
Other, Specialty NOC	87045	163,684	228,484	346,152
Other, Specialty NOC	88021	20,976	28,688	38,584
Other, Specialty NOC	88022	40,260	55,688	74,900
Other, Specialty NOC	88023	71,116	98,888	137,948
For Non-Standard, Use:	88046			

FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE	\$1M/\$3M	\$2M/\$4M	
Emergency Medicine	80102	4,000	N/A	13.92	18.73
Anesthesiology	80151	800	N/A	49.36	66.39
Urgent Care	80239	6,000	N/A	5.38	7.24
Surgicenter	N/A	N/A	N/A	25.32	33.92

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1A: COUNTY Vermilion

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	10,944	14,648	19,700
Anesthesiology	80151	25,988	35,708	48,028
Anesthesiology-Pain Management	80182	25,988	35,708	48,028
Bariatrics	81076	21,360	29,228	39,312
Cardiac Surgery-MRP, NMajS	82042	30,616	42,188	56,744
Cardiac Surgery	80141	82,688	115,084	165,032
Cardiovascular Disease-NMRP, NS	80255	23,672	32,468	43,668
Cardiovascular Disease-Spec. MRP	82058	30,616	42,188	56,744
Cardiovascular Disease-MRP	80281	36,404	50,288	67,636
Colon Surgery	85004	38,716	53,528	71,996
Dermatology	80256	14,416	19,508	26,240
Dermatology with Tumescant Liposuction	81087	21,360	29,228	39,312
Diabetes	80237	21,360	29,228	39,312
Emergency Medicine-NMajS, prim	80102	36,404	50,288	67,636
Emergency Medicine-MajS	80157	43,344	60,008	83,712
Endocrinology	80238	14,416	19,508	26,240
Family Practice-NMRP, NS	80239	21,360	29,228	39,312
Family Practice-MRP, NMajS	80273	32,932	45,428	61,100
Family Practice-not primarily MajS	83009	45,660	63,248	88,232
Forensic Medicine	80240	10,944	14,648	19,700
Gastroenterology	80241	30,616	42,188	56,744
General Practice-NMRP, NS	80242	21,360	29,228	39,312
General Practice-MRP, NMajS	80275	32,932	45,428	61,100
General Practice-NMajS, prim.	80117	45,660	63,248	88,232
General Surgery-NMRP	84076	21,360	29,228	39,312
General Surgery-MRP, NMajS	82074	30,616	42,188	56,744
General Surgery	80143	64,172	89,168	124,388
Geriatrics	80243	14,416	19,508	26,240
Gynecology-NMRP, NS	81050	24,832	34,088	45,848
Gynecology/Obstetrics-MRP, NMajS	80277	38,716	53,528	71,996
Gynecological Surgery	86053	43,344	60,008	83,712
Hand Surgery-MRP, NMajS	82044	30,616	42,188	56,744
Hand Surgery	80169	43,344	60,008	83,712

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1A: COUNTY: Vermillion

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	43,344	60,008	83,712
Hematology	80245	21,360	29,228	39,312
Hospitalist, Family Practice	81083	24,832	34,088	45,848
Hospitalist, Internal Medicine	81084	24,832	34,088	45,848
Hospitalist, Pediatrics	81085	24,832	34,088	45,848
Industrial Medicine	80233	21,360	29,228	39,312
Infectious Disease	80246	23,672	32,468	43,668
Internal Medicine-NMRP	80257	24,832	34,088	45,848
Internal Medicine-MRP	80284	30,616	42,188	56,744
Neonatology	83015	64,172	89,168	127,868
Nephrology-NMRP	80260	23,672	32,468	43,668
Nephrology-MRP	80287	27,144	37,328	50,208
Neurology	80261	30,616	42,188	56,744
Neurosurgery-NMRP, NMajS	81045	21,360	29,228	39,312
Neurosurgery-MRP, NMajS	82045	35,244	48,668	65,460
Neurosurgery-No Intracranial Surgery	86027	96,572	134,524	192,908
Neurosurgery	80152	147,484	205,804	303,356
Nuclear Medicine	80262	21,360	29,228	39,312
Obstetrical/Gynecological Surgery	80153	89,628	124,804	178,968
Occupational Medicine	80079	10,944	14,648	19,700
Oncology	80259	21,360	29,228	39,312
Ophthalmology-NS	80263	14,416	19,508	26,240
Ophthalmic Surgery	80114	21,360	29,228	39,312
Oral/Maxillofacial Surgery	86154	21,360	29,228	39,312
Orthopaedics-NMRP, NS	81057	21,360	29,228	39,312
Orthopaedics-MRP, NMajS	82025	30,616	42,188	56,744
Orthopaedic Surgery w/o Spine	86026	68,800	95,648	137,160
Orthopaedic Surgery w/Spine	80154	96,572	134,524	192,908
Otorhinolaryngology-NMRP, NS	80060	10,944	14,648	19,700
Otorhinolaryngology-MRP, NMajS	80291	30,616	42,188	56,744
Otorhinolaryngology; No Elective Plastic	80159	36,404	50,288	67,636
Otorhinolaryngology; Head/Neck	80155	43,344	60,008	83,712
Otorhinolaryngology; Other than Head/Neck	86155	64,172	89,168	127,868

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1A: COUNTY: Vermillion

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	14,416	19,508	26,240
Pediatrics-NMRP	80267	15,576	21,128	28,416
Pediatrics-MRP	80293	30,616	42,188	56,744
Physical Med. & Rehab.	80235	10,944	14,648	19,700
Plastic Surgery	80156	64,172	89,168	127,868
Podiatry, No Surgery	86601	14,416	19,508	26,240
Podiatry, Surgery	86602	27,144	37,328	50,208
Psychiatry	80249	14,416	19,508	26,240
Public Health & Preventive Medicine	80236	10,944	14,648	19,700
Pulmonary Diseases	80269	27,144	37,328	50,208
Radiology-NMRP	80253	27,144	37,328	50,208
Radiology-MRP	80280	30,616	42,188	56,744
Radiology-MajRP	83033	38,716	53,528	71,996
Radiation Oncology	87047	19,044	25,988	34,952
Rheumatology	80252	14,416	19,508	26,240
Sleep Medicine	81086	24,832	34,088	45,848
Thoracic Surgery-NMRP, NS	81065	21,360	29,228	39,312
Thoracic Surgery	80144	82,688	115,084	165,032
Urological Surgery	80145	35,244	48,668	65,460
Urology-MRP, NMajS	82040	30,616	42,188	56,744
Vascular Surgery-MRP, NMajS	82050	30,616	42,188	56,744
Vascular Surgery	80146	82,688	115,084	165,032
Physician, Clinical Practice Not Insurable	80086	2,188	2,928	3,940
Retired, Not in Practice	80179	2,188	2,928	3,940
Physician, No Clinical Practice	80085	2,188	2,928	3,940
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	10,944	14,648	19,700
Other, Specialty NOC	88002	14,416	19,508	26,240
Other, Specialty NOC	88003	15,576	21,128	28,416
Other, Specialty NOC	80268	21,360	29,228	39,312
Other, Specialty NOC	88005	24,832	34,088	45,848
Other, Specialty NOC	88006	23,672	32,468	43,668
Other, Specialty NOC	88007	27,144	37,328	50,208

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1A: COUNTY: Vermillion

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	30,616	42,188	56,744
Other, Specialty NOC	88009	25,988	35,708	48,028
Other, Specialty NOC	88010	35,244	48,668	65,460
Other, Specialty NOC	83041	38,716	53,528	71,996
Other, Specialty NOC	84042	43,344	60,008	83,712
Other, Specialty NOC	88013	45,660	63,248	88,232
Other, Specialty NOC	88014	64,172	89,168	127,868
Other, Specialty NOC	85043	68,800	95,648	137,160
Other, Specialty NOC	88016	82,688	115,084	165,032
Other, Specialty NOC	86044	89,628	124,804	178,968
Other, Specialty NOC	88018	96,572	134,524	192,908
Other, Specialty NOC	88019	32,932	45,428	61,100
Other, Specialty NOC	87045	147,484	205,804	303,356
Other, Specialty NOC	88021	19,044	25,988	34,952
Other, Specialty NOC	88022	36,404	50,288	67,636
Other, Specialty NOC	88023	64,172	89,168	124,388

For Non-Standard, Use:	88046
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FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE	\$1M/\$3M	\$2M/\$4M	
Emergency Medicine	80102	4,000	N/A	12.57	16.91
Anesthesiology	80151	800	N/A	44.64	60.04
Urgent Care	80239	6,000	N/A	4.87	6.55
Surgicenter	N/A	N/A	N/A	22.79	30.53

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1B: COUNTIES Kane, Lake, McHenry, Winnebago

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	10,432	13,928	18,732
Anesthesiology	80151	24,640	33,816	45,484
Anesthesiology-Pain Management	80182	24,640	33,816	45,484
Bariatrics	81076	20,268	27,700	37,256
Cardiac Surgery-MRP, NMajS	82042	29,008	39,936	53,712
Cardiac Surgery	80141	78,188	108,784	155,996
Cardiovascular Disease-NMRP, NS	80255	22,452	30,760	41,372
Cardiovascular Disease-Spec. MRP	82058	29,008	39,936	53,712
Cardiovascular Disease-MRP	80281	34,472	47,588	64,004
Colon Surgery	85004	36,660	50,648	68,120
Dermatology	80256	13,708	18,520	24,908
Dermatology with Tumescant Liposuction	81087	20,268	27,700	37,256
Diabetes	80237	20,268	27,700	37,256
Emergency Medicine-NMajS, prim	80102	34,472	47,588	64,004
Emergency Medicine-MajS	80157	41,032	56,768	79,192
Endocrinology	80238	13,708	18,520	24,908
Family Practice-NMRP, NS	80239	20,268	27,700	37,256
Family Practice-MRP, NMajS	80273	31,196	42,996	57,828
Family Practice-not primarily MajS	83009	43,216	59,828	83,460
Forensic Medicine	80240	10,432	13,928	18,732
Gastroenterology	80241	29,008	39,936	53,712
General Practice-NMRP, NS	80242	20,268	27,700	37,256
General Practice-MRP, NMajS	80275	31,196	42,996	57,828
General Practice-NMajS, prim.	80117	43,216	59,828	83,460
General Surgery-NMRP	84076	20,268	27,700	37,256
General Surgery-MRP, NMajS	82074	29,008	39,936	53,712
General Surgery	80143	60,700	84,308	117,608
Geriatrics	80243	13,708	18,520	24,908
Gynecology-NMRP, NS	81050	23,544	32,288	43,428
Gynecology/Obstetrics-MRP, NMajS	80277	36,660	50,648	68,120
Gynecological Surgery	86053	41,032	56,768	79,192
Hand Surgery-MRP, NMajS	82044	29,008	39,936	53,712
Hand Surgery	80169	41,032	56,768	79,192

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1B: COUNTIES Kane, Lake, McHenry, Winnebago

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	41,032	56,768	79,192
Hematology	80245	20,268	27,700	37,256
Hospitalist, Family Practice	81083	23,544	32,288	43,428
Hospitalist, Internal Medicine	81084	23,544	32,288	43,428
Hospitalist, Pediatrics	81085	23,544	32,288	43,428
Industrial Medicine	80233	20,268	27,700	37,256
Infectious Disease	80246	22,452	30,760	41,372
Internal Medicine-NMRP	80257	23,544	32,288	43,428
Internal Medicine-MRP	80284	29,008	39,936	53,712
Neonatology	83015	60,700	84,308	120,896
Nephrology-NMRP	80260	22,452	30,760	41,372
Nephrology-MRP	80287	25,732	35,348	47,544
Neurology	80261	29,008	39,936	53,712
Neurosurgery-NMRP, NMajS	81045	20,268	27,700	37,256
Neurosurgery-MRP, NMajS	82045	33,380	46,056	61,944
Neurosurgery-No Intracranial Surgery	86027	91,300	127,144	182,324
Neurosurgery	80152	139,384	194,464	286,640
Nuclear Medicine	80262	20,268	27,700	37,256
Obstetrical/Gynecological Surgery	80153	84,744	117,964	169,160
Occupational Medicine	80079	10,432	13,928	18,732
Oncology	80259	20,268	27,700	37,256
Ophthalmology-NS	80263	13,708	18,520	24,908
Ophthalmic Surgery	80114	20,268	27,700	37,256
Oral/Maxillofacial Surgery	86154	20,268	27,700	37,256
Orthopaedics-NMRP,NS	81057	20,268	27,700	37,256
Orthopaedics-MRP, NMajS	82025	29,008	39,936	53,712
Orthopaedic Surgery w/o Spine	86026	65,072	90,428	129,672
Orthopaedic Surgery w/Spine	80154	91,300	127,144	182,324
Otorhinolaryngology-NMRP, NS	80060	10,432	13,928	18,732
Otorhinolaryngology-MRP, NMajS	80291	29,008	39,936	53,712
Otorhinolaryngology; No Elective Plastic	80159	34,472	47,588	64,004
Otorhinolaryngology; Head/Neck	80155	41,032	56,768	79,192
Otorhinolaryngology; Other than Head/Neck	86155	60,700	84,308	120,896

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1B: COUNTIES Kane, Lake, McHenry, Winnebago

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	13,708	18,520	24,908
Pediatrics-NMRP	80267	14,804	20,048	26,964
Pediatrics-MRP	80293	29,008	39,936	53,712
Physical Med. & Rehab.	80235	10,432	13,928	18,732
Plastic Surgery	80156	60,700	84,308	120,896
Podiatry, No Surgery	86601	13,708	18,520	24,908
Podiatry, Surgery	86602	25,732	35,348	47,544
Psychiatry	80249	13,708	18,520	24,908
Public Health & Preventive Medicine	80236	10,432	13,928	18,732
Pulmonary Diseases	80269	25,732	35,348	47,544
Radiology-NMRP	80253	25,732	35,348	47,544
Radiology-MRP	80280	29,008	39,936	53,712
Radiology-MajRP	83033	36,660	50,648	68,120
Radiation Oncology	87047	18,080	24,640	33,140
Rheumatology	80252	13,708	18,520	24,908
Sleep Medicine	81086	23,544	32,288	43,428
Thoracic Surgery-NMRP, NS	81065	20,268	27,700	37,256
Thoracic Surgery	80144	78,188	108,784	155,996
Urological Surgery	80145	33,380	46,056	61,944
Urology-MRP, NMajS	82040	29,008	39,936	53,712
Vascular Surgery-MRP, NMajS	82050	29,008	39,936	53,712
Vascular Surgery	80146	78,188	108,784	155,996
Physician, Clinical Practice Not Insurable	80086	2,088	2,784	3,744
Retired, Not in Practice	80179	2,088	2,784	3,744
Physician, No Clinical Practice	80085	2,088	2,784	3,744
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	10,432	13,928	18,732
Other, Specialty NOC	88002	13,708	18,520	24,908
Other, Specialty NOC	88003	14,804	20,048	26,964
Other, Specialty NOC	80268	20,268	27,700	37,256
Other, Specialty NOC	88005	23,544	32,288	43,428
Other, Specialty NOC	88006	22,452	30,760	41,372
Other, Specialty NOC	88007	25,732	35,348	47,544

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 1B: COUNTIES Kane, Lake, McHenry, Winnebago

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	29,008	39,936	53,712
Other, Specialty NOC	88009	24,640	33,816	45,484
Other, Specialty NOC	88010	33,380	46,056	61,944
Other, Specialty NOC	83041	36,660	50,648	68,120
Other, Specialty NOC	84042	41,032	56,768	79,192
Other, Specialty NOC	88013	43,216	59,828	83,460
Other, Specialty NOC	88014	60,700	84,308	120,896
Other, Specialty NOC	85043	65,072	90,428	129,672
Other, Specialty NOC	88016	78,188	108,784	155,996
Other, Specialty NOC	86044	84,744	117,964	169,160
Other, Specialty NOC	88018	91,300	127,144	182,324
Other, Specialty NOC	88019	31,196	42,996	57,828
Other, Specialty NOC	87045	139,384	194,464	286,640
Other, Specialty NOC	88021	18,080	24,640	33,140
Other, Specialty NOC	88022	34,472	47,588	64,004
Other, Specialty NOC	88023	60,700	84,308	117,608

For Non-Standard, Use: 88046

FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE		\$1M/\$3M	\$2M/\$4M
Emergency Medicine	80102	4,000	N/A	11.90	16.00
Anesthesiology	80151	800	N/A	42.27	56.86
Urgent Care	80239	6,000	N/A	4.62	6.21
Surgicenter	N/A	N/A	N/A	21.52	28.83

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2: COUNTY Kankakee

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	9,404	12,488	16,796
Anesthesiology	80151	21,940	30,040	40,404
Anesthesiology-Pain Management	80182	21,940	30,040	40,404
Bariatrics	81076	18,080	24,640	33,140
Cardiac Surgery-MRP, NMajS	82042	25,796	35,436	47,660
Cardiac Surgery	80141	69,188	96,188	137,932
Cardiovascular Disease-NMRP, NS	80255	20,008	27,340	36,772
Cardiovascular Disease-Spec. MRP	82058	25,796	35,436	47,660
Cardiovascular Disease-MRP	80281	30,616	42,188	56,744
Colon Surgery	85004	32,544	44,888	60,376
Dermatology	80256	12,296	16,540	22,248
Dermatology with Tumescent Liposuction	81087	18,080	24,640	33,140
Diabetes	80237	18,080	24,640	33,140
Emergency Medicine-NMajS, prim	80102	30,616	42,188	56,744
Emergency Medicine-MajS	80157	36,404	50,288	70,152
Endocrinology	80238	12,296	16,540	22,248
Family Practice-NMRP, NS	80239	18,080	24,640	33,140
Family Practice-MRP, NMajS	80273	27,724	38,136	51,292
Family Practice-not primarily MajS	83009	38,332	52,988	73,920
Forensic Medicine	80240	9,404	12,488	16,796
Gastroenterology	80241	25,796	35,436	47,660
General Practice-NMRP, NS	80242	18,080	24,640	33,140
General Practice-MRP, NMajS	80275	27,724	38,136	51,292
General Practice-NMajS, prim.	80117	38,332	52,988	73,920
General Surgery-NMRP	84076	18,080	24,640	33,140
General Surgery-MRP, NMajS	82074	25,796	35,436	47,660
General Surgery	80143	53,760	74,588	104,052
Geriatrics	80243	12,296	16,540	22,248
Gynecology-NMRP, NS	81050	20,976	28,688	38,584
Gynecology/Obstetrics-MRP, NMajS	80277	32,544	44,888	60,376
Gynecological Surgery	86053	36,404	50,288	70,152
Hand Surgery-MRP, NMajS	82044	25,796	35,436	47,660
Hand Surgery	80169	36,404	50,288	70,152

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2: COUNTY Kankakee

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	36,404	50,288	70,152
Hematology	80245	18,080	24,640	33,140
Hospitalist, Family Practice	81083	20,976	28,688	38,584
Hospitalist, Internal Medicine	81084	20,976	28,688	38,584
Hospitalist, Pediatrics	81085	20,976	28,688	38,584
Industrial Medicine	80233	18,080	24,640	33,140
Infectious Disease	80246	20,008	27,340	36,772
Internal Medicine-NMRP	80257	20,976	28,688	38,584
Internal Medicine-MRP	80284	25,796	35,436	47,660
Neonatology	83015	53,760	74,588	106,960
Nephrology-NMRP	80260	20,008	27,340	36,772
Nephrology-MRP	80287	22,904	31,388	42,216
Neurology	80261	25,796	35,436	47,660
Neurosurgery-NMRP, NMajS	81045	18,080	24,640	33,140
Neurosurgery-MRP, NMajS	82045	29,652	40,836	54,924
Neurosurgery-No Intracranial Surgery	86027	80,760	112,384	161,160
Neurosurgery	80152	123,184	171,784	253,208
Nuclear Medicine	80262	18,080	24,640	33,140
Obstetrical/Gynecological Surgery	80153	74,972	104,284	149,544
Occupational Medicine	80079	9,404	12,488	16,796
Oncology	80259	18,080	24,640	33,140
Ophthalmology-NS	80263	12,296	16,540	22,248
Ophthalmic Surgery	80114	18,080	24,640	33,140
Oral/Maxillofacial Surgery	86154	18,080	24,640	33,140
Orthopaedics-NMRP, NS	81057	18,080	24,640	33,140
Orthopaedics-MRP, NMajS	82025	25,796	35,436	47,660
Orthopaedic Surgery w/o Spine	86026	57,616	79,988	114,704
Orthopaedic Surgery w/Spine	80154	80,760	112,384	161,160
Otorhinolaryngology-NMRP,NS	80060	9,404	12,488	16,796
Otorhinolaryngology-MRP, NMajS	80291	25,796	35,436	47,660
Otorhinolaryngology; No Elective Plastic	80159	30,616	42,188	56,744
Otorhinolaryngology; Head/Neck	80155	36,404	50,288	70,152
Otorhinolaryngology; Other than Head/Neck	86155	53,760	74,588	106,960

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2: COUNTY Kankakee

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	12,296	16,540	22,248
Pediatrics-NMRP	80267	13,260	17,888	24,060
Pediatrics-MRP	80293	25,796	35,436	47,660
Physical Med. & Rehab.	80235	9,404	12,488	16,796
Plastic Surgery	80156	53,760	74,588	106,960
Podiatry, No Surgery	86601	12,296	16,540	22,248
Podiatry, Surgery	86602	22,904	31,388	42,216
Psychiatry	80249	12,296	16,540	22,248
Public Health & Preventive Medicine	80236	9,404	12,488	16,796
Pulmonary Diseases	80269	22,904	31,388	42,216
Radiology-NMRP	80253	22,904	31,388	42,216
Radiology-MRP	80280	25,796	35,436	47,660
Radiology-MajRP	83033	32,544	44,888	60,376
Radiation Oncology	87047	16,152	21,940	29,508
Rheumatology	80252	12,296	16,540	22,248
Sleep Medicine	81086	20,976	28,688	38,584
Thoracic Surgery-NMRP, NS	81065	18,080	24,640	33,140
Thoracic Surgery	80144	69,188	96,188	137,932
Urological Surgery	80145	29,652	40,836	54,924
Urology-MRP, NMajS	82040	25,796	35,436	47,660
Vascular Surgery-MRP, NMajS	82050	25,796	35,436	47,660
Vascular Surgery	80146	69,188	96,188	137,932
Physician, Clinical Practice Not Insurable	80086	1,880	2,496	3,356
Retired, Not in Practice	80179	1,880	2,496	3,356
Physician, No Clinical Practice	80085	1,880	2,496	3,356
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	9,404	12,488	16,796
Other, Specialty NOC	88002	12,296	16,540	22,248
Other, Specialty NOC	88003	13,260	17,888	24,060
Other, Specialty NOC	80268	18,080	24,640	33,140
Other, Specialty NOC	88005	20,976	28,688	38,584
Other, Specialty NOC	88006	20,008	27,340	36,772
Other, Specialty NOC	88007	22,904	31,388	42,216

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2: COUNTY Kankakee

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	25,796	35,436	47,660
Other, Specialty NOC	88009	21,940	30,040	40,404
Other, Specialty NOC	88010	29,652	40,836	54,924
Other, Specialty NOC	83041	32,544	44,888	60,376
Other, Specialty NOC	84042	36,404	50,288	70,152
Other, Specialty NOC	88013	38,332	52,988	73,920
Other, Specialty NOC	88014	53,760	74,588	106,960
Other, Specialty NOC	85043	57,616	79,988	114,704
Other, Specialty NOC	88016	69,188	96,188	137,932
Other, Specialty NOC	86044	74,972	104,284	149,544
Other, Specialty NOC	88018	80,760	112,384	161,160
Other, Specialty NOC	88019	27,724	38,136	51,292
Other, Specialty NOC	87045	123,184	171,784	253,208
Other, Specialty NOC	88021	16,152	21,940	29,508
Other, Specialty NOC	88022	30,616	42,188	56,744
Other, Specialty NOC	88023	53,760	74,588	104,052

For Non-Standard, Use:	88046
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FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE		\$1M/\$3M	\$2M/\$4M
Emergency Medicine	80102	4,000	N/A	10.55	14.19
Anesthesiology	80151	800	N/A	37.55	50.51
Urgent Care	80239	6,000	N/A	4.11	5.52
Surgicenter	N/A	N/A	N/A	18.99	25.44

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

**TERRITORY 2A: COUNTIES Bureau, Champaign, Coles, DeKalb, DuPage,
Effingham, LaSalle, Macon, Ogle, Randolph**

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	8,888	11,768	15,828
Anesthesiology	80151	20,588	28,148	37,860
Anesthesiology-Pain Management	80182	20,588	28,148	37,860
Bariatrics	81076	16,988	23,108	31,080
Cardiac Surgery-MRP, NMajS	82042	24,188	33,188	44,636
Cardiac Surgery	80141	64,688	89,888	128,900
Cardiovascular Disease-NMRP, NS	80255	18,788	25,628	34,468
Cardiovascular Disease-Spec. MRP	82058	24,188	33,188	44,636
Cardiovascular Disease-MRP	80281	28,688	39,488	53,112
Colon Surgery	85004	30,488	42,008	56,500
Dermatology	80256	11,588	15,548	20,912
Dermatology with Tumescant Liposuction	81087	16,988	23,108	31,080
Diabetes	80237	16,988	23,108	31,080
Emergency Medicine-NMajS, prim	80102	28,688	39,488	53,112
Emergency Medicine-MajS	80157	34,088	47,048	65,632
Endocrinology	80238	11,588	15,548	20,912
Family Practice-NMRP, NS	80239	16,988	23,108	31,080
Family Practice-MRP, NMajS	80273	25,988	35,708	48,028
Family Practice-not primarily MajS	83009	35,888	49,568	69,148
Forensic Medicine	80240	8,888	11,768	15,828
Gastroenterology	80241	24,188	33,188	44,636
General Practice-NMRP, NS	80242	16,988	23,108	31,080
General Practice-MRP, NMajS	80275	25,988	35,708	48,028
General Practice-NMajS, prim.	80117	35,888	49,568	69,148
General Surgery-NMRP	84076	16,988	23,108	31,080
General Surgery-MRP, NMajS	82074	24,188	33,188	44,636
General Surgery	80143	50,288	69,728	97,272
Geriatrics	80243	11,588	15,548	20,912
Gynecology-NMRP, NS	81050	19,688	26,888	36,164
Gynecology/Obstetrics-MRP, NMajS	80277	30,488	42,008	56,500
Gynecological Surgery	86053	34,088	47,048	65,632
Hand Surgery-MRP, NMajS	82044	24,188	33,188	44,636
Hand Surgery	80169	34,088	47,048	65,632

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

**TERRITORY 2A: COUNTIES Bureau, Champaign, Coles, DeKalb, DuPage,
Effingham, Lasalle, Macon, Ogle, Randolph**

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	34,088	47,048	65,632
Hematology	80245	16,988	23,108	31,080
Hospitalist, Family Practice	81083	19,688	26,888	36,164
Hospitalist, Internal Medicine	81084	19,688	26,888	36,164
Hospitalist, Pediatrics	81085	19,688	26,888	36,164
Industrial Medicine	80233	16,988	23,108	31,080
Infectious Disease	80246	18,788	25,628	34,468
Internal Medicine-NMRP	80257	19,688	26,888	36,164
Internal Medicine-MRP	80284	24,188	33,188	44,636
Neonatology	83015	50,288	69,728	99,988
Nephrology-NMRP	80260	18,788	25,628	34,468
Nephrology-MRP	80287	21,488	29,408	39,552
Neurology	80261	24,188	33,188	44,636
Neurosurgery-NMRP, NMajS	81045	16,988	23,108	31,080
Neurosurgery-MRP, NMajS	82045	27,788	38,228	51,416
Neurosurgery-No Intracranial Surgery	86027	75,488	105,004	150,576
Neurosurgery	80152	115,084	160,444	236,496
Nuclear Medicine	80262	16,988	23,108	31,080
Obstetrical/Gynecological Surgery	80153	70,088	97,448	139,740
Occupational Medicine	80079	8,888	11,768	15,828
Oncology	80259	16,988	23,108	31,080
Ophthalmology-NS	80263	11,588	15,548	20,912
Ophthalmic Surgery	80114	16,988	23,108	31,080
Oral/Maxillofacial Surgery	86154	16,988	23,108	31,080
Orthopaedics-NMRP, NS	81057	16,988	23,108	31,080
Orthopaedics-MRP, NMajS	82025	24,188	33,188	44,636
Orthopaedic Surgery w/o Spine	86026	53,888	74,768	107,216
Orthopaedic Surgery w/Spine	80154	75,488	105,004	150,576
Otorhinolaryngology-NMRP, NS	80060	8,888	11,768	15,828
Otorhinolaryngology-MRP, NMajS	80291	24,188	33,188	44,636
Otorhinolaryngology; No Elective Plastic	80159	28,688	39,488	53,112
Otorhinolaryngology; Head/Neck	80155	34,088	47,048	65,632
Otorhinolaryngology; Other than Head/Neck	86155	50,288	69,728	99,988

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2A: COUNTIES Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, Lasalle, Macon, Ogle, Randolph

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	11,588	15,548	20,912
Pediatrics-NMRP	80267	12,488	16,808	22,608
Pediatrics-MRP	80293	24,188	33,188	44,636
Physical Med. & Rehab.	80235	8,888	11,768	15,828
Plastic Surgery	80156	50,288	69,728	99,988
Podiatry, No Surgery	86601	11,588	15,548	20,912
Podiatry, Surgery	86602	21,488	29,408	39,552
Psychiatry	80249	11,588	15,548	20,912
Public Health & Preventive Medicine	80236	8,888	11,768	15,828
Pulmonary Diseases	80269	21,488	29,408	39,552
Radiology-NMRP	80253	21,488	29,408	39,552
Radiology-MRP	80280	24,188	33,188	44,636
Radiology-MajRP	83033	30,488	42,008	56,500
Radiation Oncology	87047	15,188	20,588	27,692
Rheumatology	80252	11,588	15,548	20,912
Sleep Medicine	81086	19,688	26,888	36,164
Thoracic Surgery-NMRP, NS	81065	16,988	23,108	31,080
Thoracic Surgery	80144	64,688	89,888	128,900
Urological Surgery	80145	27,788	38,228	51,416
Urology-MRP, NMajS	82040	24,188	33,188	44,636
Vascular Surgery-MRP,NMajS	82050	24,188	33,188	44,636
Vascular Surgery	80146	64,688	89,888	128,900
Physician, Clinical Practice Not Insurable	80086	1,776	2,352	3,164
Retired, Not in Practice	80179	1,776	2,352	3,164
Physician, No Clinical Practice	80085	1,776	2,352	3,164
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	8,888	11,768	15,828
Other, Specialty NOC	88002	11,588	15,548	20,912
Other, Specialty NOC	88003	12,488	16,808	22,608
Other, Specialty NOC	80268	16,988	23,108	31,080
Other, Specialty NOC	88005	19,688	26,888	36,164
Other, Specialty NOC	88006	18,788	25,628	34,468
Other, Specialty NOC	88007	21,488	29,408	39,552

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2A: COUNTIES Bureau, Champaign, Coles, DeKalb, DuPage,
Effingham, Lasalle, Macon, Ogle, Randolph

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	24,188	33,188	44,636
Other, Specialty NOC	88009	20,588	28,148	37,860
Other, Specialty NOC	88010	27,788	38,228	51,416
Other, Specialty NOC	83041	30,488	42,008	56,500
Other, Specialty NOC	84042	34,088	47,048	65,632
Other, Specialty NOC	88013	35,888	49,568	69,148
Other, Specialty NOC	88014	50,288	69,728	99,988
Other, Specialty NOC	85043	53,888	74,768	107,216
Other, Specialty NOC	88016	64,688	89,888	128,900
Other, Specialty NOC	86044	70,088	97,448	139,740
Other, Specialty NOC	88018	75,488	105,004	150,576
Other, Specialty NOC	88019	25,988	35,708	48,028
Other, Specialty NOC	87045	115,084	160,444	236,496
Other, Specialty NOC	88021	15,188	20,588	27,692
Other, Specialty NOC	88022	28,688	39,488	53,112
Other, Specialty NOC	88023	50,288	69,728	97,272

For Non-Standard, Use: 88046

FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE		\$1M/\$3M	\$2M/\$4M
Emergency Medicine	80102	4,000	N/A	9.87	13.28
Anesthesiology	80151	800	N/A	35.19	47.33
Urgent Care	80239	6,000	N/A	3.85	5.18
Surgicenter	N/A	N/A	N/A	17.72	23.74

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2B: COUNTY Grundy

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	7,860	10,328	13,892
Anesthesiology	80151	17,888	24,368	32,776
Anesthesiology-Pain Management	80182	17,888	24,368	32,776
Bariatrics	81076	14,804	20,048	26,964
Cardiac Surgery-MRP, NMajS	82042	20,976	28,688	38,584
Cardiac Surgery	80141	55,688	77,288	110,832
Cardiovascular Disease-NMRP, NS	80255	16,344	22,208	29,868
Cardiovascular Disease-Spec. MRP	82058	20,976	28,688	38,584
Cardiovascular Disease-MRP	80281	24,832	34,088	45,848
Colon Surgery	85004	26,372	36,248	48,752
Dermatology	80256	10,176	13,568	18,248
Dermatology with Tumescent Liposuction	81087	14,804	20,048	26,964
Diabetes	80237	14,804	20,048	26,964
Emergency Medicine-NMajS, prim	80102	24,832	34,088	45,848
Emergency Medicine-MajS	80157	29,460	40,568	56,592
Endocrinology	80238	10,176	13,568	18,248
Family Practice-NMRP, NS	80239	14,804	20,048	26,964
Family Practice-MRP, NMajS	80273	22,516	30,848	41,492
Family Practice-not primarily MajS	83009	31,004	42,728	59,604
Forensic Medicine	80240	7,860	10,328	13,892
Gastroenterology	80241	20,976	28,688	38,584
General Practice-NMRP, NS	80242	14,804	20,048	26,964
General Practice-MRP, NMajS	80275	22,516	30,848	41,492
General Practice-NMajS, prim.	80117	31,004	42,728	59,604
General Surgery-NMRP	84076	14,804	20,048	26,964
General Surgery-MRP, NMajS	82074	20,976	28,688	38,584
General Surgery	80143	43,344	60,008	83,712
Geriatrics	80243	10,176	13,568	18,248
Gynecology-NMRP, NS	81050	17,116	23,288	31,324
Gynecology/Obstetrics-MRP, NMajS	80277	26,372	36,248	48,752
Gynecological Surgery	86053	29,460	40,568	56,592
Hand Surgery-MRP, NMajS	82044	20,976	28,688	38,584
Hand Surgery	80169	29,460	40,568	56,592

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2B: COUNTY Grundy

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	29,460	40,568	56,592
Hematology	80245	14,804	20,048	26,964
Hospitalist, Family Practice	81083	17,116	23,288	31,324
Hospitalist, Internal Medicine	81084	17,116	23,288	31,324
Hospitalist, Pediatrics	81085	17,116	23,288	31,324
Industrial Medicine	80233	14,804	20,048	26,964
Infectious Disease	80246	16,344	22,208	29,868
Internal Medicine-NMRP	80257	17,116	23,288	31,324
Internal Medicine-MRP	80284	20,976	28,688	38,584
Neonatology	83015	43,344	60,008	86,052
Nephrology-MRP	80287	18,660	25,448	34,228
Neurology	80261	20,976	28,688	38,584
Neurosurgery-NMRP, NMajS	81045	14,804	20,048	26,964
Neurosurgery-MRP, NMajS	82045	24,060	33,008	44,396
Neurosurgery-No Intracranial Surgery	86027	64,944	90,248	129,416
Neurosurgery	80152	98,888	137,764	203,064
Nuclear Medicine	80262	14,804	20,048	26,964
Obstetrical/Gynecological Surgery	80153	60,316	83,768	120,124
Occupational Medicine	80079	7,860	10,328	13,892
Oncology	80259	14,804	20,048	26,964
Ophthalmology-NS	80263	10,176	13,568	18,248
Ophthalmic Surgery	80114	14,804	20,048	26,964
Oral/Maxillofacial Surgery	86154	14,804	20,048	26,964
Orthopaedics-NMRP, NS	81057	14,804	20,048	26,964
Orthopaedics-MRP, NMajS	82025	20,976	28,688	38,584
Orthopaedic Surgery w/o Spine	86026	46,432	64,328	92,248
Orthopaedic Surgery w/Spine	80154	64,944	90,248	129,416
Otorhinolaryngology-NMRP, NS	80060	7,860	10,328	13,892
Otorhinolaryngology-MRP, NMajS	80291	20,976	28,688	38,584
Otorhinolaryngology; No Elective Plastic	80159	24,832	34,088	45,848
Otorhinolaryngology; Head/Neck	80155	29,460	40,568	56,592
Otorhinolaryngology; Other than Head/Neck	86155	43,344	60,008	86,052

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2B: COUNTY Grundy

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	10,176	13,568	18,248
Pediatrics-NMRP	80267	10,944	14,648	19,700
Pediatrics-MRP	80293	20,976	28,688	38,584
Physical Med. & Rehab.	80235	7,860	10,328	13,892
Plastic Surgery	80156	43,344	60,008	86,052
Podiatry, No Surgery	86601	10,176	13,568	18,248
Podiatry, Surgery	86602	18,660	25,448	34,228
Psychiatry	80249	10,176	13,568	18,248
Public Health & Preventive Medicine	80236	7,860	10,328	13,892
Pulmonary Diseases	80269	18,660	25,448	34,228
Radiology-NMRP	80253	18,660	25,448	34,228
Radiology-MRP	80280	20,976	28,688	38,584
Radiology-MajRP	83033	26,372	36,248	48,752
Radiation Oncology	87047	13,260	17,888	24,060
Rheumatology	80252	10,176	13,568	18,248
Sleep Medicine	81086	17,116	23,288	31,324
Thoracic Surgery-NMRP, NS	81065	14,804	20,048	26,964
Thoracic Surgery	80144	55,688	77,288	110,832
Urological Surgery	80145	24,060	33,008	44,396
Urology-MRP, NMajS	82040	20,976	28,688	38,584
Vascular Surgery-MRP, NMajS	82050	20,976	28,688	38,584
Vascular Surgery	80146	55,688	77,288	110,832
Physician, Clinical Practice Not Insurable	80086	1,572	2,064	2,776
Retired, Not in Practice	80179	1,572	2,064	2,776
Physician, No Clinical Practice	80085	1,572	2,064	2,776
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	7,860	10,328	13,892
Other, Specialty NOC	88002	10,176	13,568	18,248
Other, Specialty NOC	88003	10,944	14,648	19,700
Other, Specialty NOC	80268	14,804	20,048	26,964
Other, Specialty NOC	88005	17,116	23,288	31,324
Other, Specialty NOC	88006	16,344	22,208	29,868
Other, Specialty NOC	88007	18,660	25,448	34,228

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2B: COUNTY Grundy

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	20,976	28,688	38,584
Other, Specialty NOC	88009	17,888	24,368	32,776
Other, Specialty NOC	88010	24,060	33,008	44,396
Other, Specialty NOC	83041	26,372	36,248	48,752
Other, Specialty NOC	84042	29,460	40,568	56,592
Other, Specialty NOC	88013	31,004	42,728	59,604
Other, Specialty NOC	88014	43,344	60,008	86,052
Other, Specialty NOC	85043	46,432	64,328	92,248
Other, Specialty NOC	88016	55,688	77,288	110,832
Other, Specialty NOC	86044	60,316	83,768	120,124
Other, Specialty NOC	88018	64,944	90,248	129,416
Other, Specialty NOC	88019	22,516	30,848	41,492
Other, Specialty NOC	87045	98,888	137,764	203,064
Other, Specialty NOC	88021	13,260	17,888	24,060
Other, Specialty NOC	88022	24,832	34,088	45,848
Other, Specialty NOC	88023	43,344	60,008	83,712
For Non-Standard, Use:	88046			
FTE/Surgicenter Rates	basis code	count / FTE	rate per procedure/encounter \$1M/\$3M \$2M/\$4M	
Emergency Medicine	80102	4,000	N/A	8.52 11.46
Anesthesiology	80151	800	N/A	30.46 40.97
Urgent Care	80239	6,000	N/A	3.34 4.49
Surgicenter	N/A	N/A	N/A	15.19 20.35

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2C: COUNTIES Adams, Knox, Peoria, Rock Island

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	6,316	8,168	10,984
Anesthesiology	80151	13,840	18,700	25,152
Anesthesiology-Pain Management	80182	13,840	18,700	25,152
Bariatrics	81076	11,524	15,460	20,792
Cardiac Surgery-MRP, NMajS	82042	16,152	21,940	29,508
Cardiac Surgery	80141	42,188	58,388	83,728
Cardiovascular Disease-NMRP, NS	80255	12,680	17,080	22,972
Cardiovascular Disease-Spec. MRP	82058	16,152	21,940	29,508
Cardiovascular Disease-MRP	80281	19,044	25,988	34,952
Colon Surgery	85004	20,204	27,608	37,132
Dermatology	80256	8,052	10,600	14,256
Dermatology with Tumescant Liposuction	81087	11,524	15,460	20,792
Diabetes	80237	11,524	15,460	20,792
Emergency Medicine-NMajS, prim	80102	19,044	25,988	34,952
Emergency Medicine-MajS	80157	22,516	30,848	43,032
Endocrinology	80238	8,052	10,600	14,256
Family Practice-NMRP, NS	80239	11,524	15,460	20,792
Family Practice-MRP, NMajS	80273	17,308	23,560	31,688
Family Practice-not primarily MajS	83009	23,672	32,468	45,292
Forensic Medicine	80240	6,316	8,168	10,984
Gastroenterology	80241	16,152	21,940	29,508
General Practice-NMRP, NS	80242	11,524	15,460	20,792
General Practice-MRP, NMajS	80275	17,308	23,560	31,688
General Practice-NMajS, prim.	80117	23,672	32,468	45,292
General Surgery-NMRP	84076	11,524	15,460	20,792
General Surgery-MRP, NMajS	82074	16,152	21,940	29,508
General Surgery	80143	32,932	45,428	63,372
Geriatrics	80243	8,052	10,600	14,256
Gynecology-NMRP, NS	81050	13,260	17,888	24,060
Gynecology/Obstetrics-MRP, NMajS	80277	20,204	27,608	37,132
Gynecological Surgery	86053	22,516	30,848	43,032
Hand Surgery-MRP, NMajS	82044	16,152	21,940	29,508
Hand Surgery	80169	22,516	30,848	43,032

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2C: COUNTIES Adams, Knox, Peoria, Rock Island

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	22,516	30,848	43,032
Hematology	80245	11,524	15,460	20,792
Hospitalist, Family Practice	81083	13,260	17,888	24,060
Hospitalist, Internal Medicine	81084	13,260	17,888	24,060
Hospitalist, Pediatrics	81085	13,260	17,888	24,060
Industrial Medicine	80233	11,524	15,460	20,792
Infectious Disease	80246	12,680	17,080	22,972
Internal Medicine-NMRP	80257	13,260	17,888	24,060
Internal Medicine-MRP	80284	16,152	21,940	29,508
Neonatology	83015	32,932	45,428	65,144
Nephrology-NMRP	80260	12,680	17,080	22,972
Nephrology-MRP	80287	14,416	19,508	26,240
Neurology	80261	16,152	21,940	29,508
Neurosurgery-NMRP, NMajS	81045	11,524	15,460	20,792
Neurosurgery-MRP, NMajS	82045	18,468	25,180	33,868
Neurosurgery-No Intracranial Surgery	86027	49,132	68,108	97,668
Neurosurgery	80152	74,588	103,748	152,924
Nuclear Medicine	80262	11,524	15,460	20,792
Obstetrical/Gynecological Surgery	80153	45,660	63,248	90,696
Occupational Medicine	80079	6,316	8,168	10,984
Oncology	80259	11,524	15,460	20,792
Ophthalmology-NS	80263	8,052	10,600	14,256
Ophthalmic Surgery	80114	11,524	15,460	20,792
Oral/Maxillofacial Surgery	86154	11,524	15,460	20,792
Orthopaedics-NMRP, NS	81057	11,524	15,460	20,792
Orthopaedics-MRP, NMajS	82025	16,152	21,940	29,508
Orthopaedic Surgery w/o Spine	86026	35,244	48,668	69,788
Orthopaedic Surgery w/Spine	80154	49,132	68,108	97,668
Otorhinolaryngology-NMRP, NS	80060	6,316	8,168	10,984
Otorhinolaryngology-MRP, NMajS	80291	16,152	21,940	29,508
Otorhinolaryngology; No Elective Plastic	80159	19,044	25,988	34,952
Otorhinolaryngology; Head/Neck	80155	22,516	30,848	43,032
Otorhinolaryngology; Other than Head/Neck	86155	32,932	45,428	65,144

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2C: COUNTIES Adams, Knox, Peoria, Rock Island

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	8,052	10,600	14,256
Pediatrics-NMRP	80267	8,632	11,408	15,344
Pediatrics-MRP	80293	16,152	21,940	29,508
Physical Med. & Rehab.	80235	6,316	8,168	10,984
Plastic Surgery	80156	32,932	45,428	65,144
Podiatry, No Surgery	86601	8,052	10,600	14,256
Podiatry, Surgery	86602	14,416	19,508	26,240
Psychiatry	80249	8,052	10,600	14,256
Public Health & Preventive Medicine	80236	6,316	8,168	10,984
Pulmonary Diseases	80269	14,416	19,508	26,240
Radiology-NMRP	80253	14,416	19,508	26,240
Radiology-MRP	80280	16,152	21,940	29,508
Radiology-MajRP	83033	20,204	27,608	37,132
Radiation Oncology	87047	10,368	13,840	18,616
Rheumatology	80252	8,052	10,600	14,256
Sleep Medicine	81086	13,260	17,888	24,060
Thoracic Surgery-NMRP, NS	81065	11,524	15,460	20,792
Thoracic Surgery	80144	42,188	58,388	83,728
Urological Surgery	80145	18,468	25,180	33,868
Urology-MRP, NMajS	82040	16,152	21,940	29,508
Vascular Surgery-MRP, NMajS	82050	16,152	21,940	29,508
Vascular Surgery	80146	42,188	58,388	83,728
Physician, Clinical Practice Not Insurable	80086	1,264	1,632	2,196
Retired, Not in Practice	80179	1,264	1,632	2,196
Physician, No Clinical Practice	80085	1,264	1,632	2,196
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	6,316	8,168	10,984
Other, Specialty NOC	88002	8,052	10,600	14,256
Other, Specialty NOC	88003	8,632	11,408	15,344
Other, Specialty NOC	80268	11,524	15,460	20,792
Other, Specialty NOC	88005	13,260	17,888	24,060
Other, Specialty NOC	88006	12,680	17,080	22,972
Other, Specialty NOC	88007	14,416	19,508	26,240

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ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2C: COUNTIES Adams, Knox, Peoria, Rock Island

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	16,152	21,940	29,508
Other, Specialty NOC	88009	13,840	18,700	25,152
Other, Specialty NOC	88010	18,468	25,180	33,868
Other, Specialty NOC	83041	20,204	27,608	37,132
Other, Specialty NOC	84042	22,516	30,848	43,032
Other, Specialty NOC	88013	23,672	32,468	45,292
Other, Specialty NOC	88014	32,932	45,428	65,144
Other, Specialty NOC	85043	35,244	48,668	69,788
Other, Specialty NOC	88016	42,188	58,388	83,728
Other, Specialty NOC	86044	45,660	63,248	90,696
Other, Specialty NOC	88018	49,132	68,108	97,668
Other, Specialty NOC	88019	17,308	23,560	31,688
Other, Specialty NOC	87045	74,588	103,748	152,924
Other, Specialty NOC	88021	10,368	13,840	18,616
Other, Specialty NOC	88022	19,044	25,988	34,952
Other, Specialty NOC	88023	32,932	45,428	63,372

For Non-Standard, Use:	88046
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FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE	\$1M/\$3M	\$2M/\$4M	
Emergency Medicine	80102	4,000	N/A	6.50	8.74
Anesthesiology	80151	800	N/A	23.38	31.44
Urgent Care	80239	6,000	N/A	2.58	3.47
Surgicenter	N/A	N/A	N/A	11.39	15.26

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2D: COUNTY Sangamon

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	7,344	9,608	12,924
Anesthesiology	80151	16,540	22,480	30,236
Anesthesiology-Pain Management	80182	16,540	22,480	30,236
Bariatrics	81076	13,708	18,520	24,908
Cardiac Surgery-MRP, NMajS	82042	19,368	26,440	35,560
Cardiac Surgery	80141	51,188	70,988	101,796
Cardiovascular Disease-NMRP, NS	80255	15,124	20,500	27,572
Cardiovascular Disease-Spec. MRP	82058	19,368	26,440	35,560
Cardiovascular Disease-MRP	80281	22,904	31,388	42,216
Colon Surgery	85004	24,316	33,368	44,880
Dermatology	80256	9,468	12,580	16,920
Dermatology with Tumescent Liposuction	81087	13,708	18,520	24,908
Diabetes	80237	13,708	18,520	24,908
Emergency Medicine-NMajS, prim	80102	22,904	31,388	42,216
Emergency Medicine-MajS	80157	27,144	37,328	52,072
Endocrinology	80238	9,468	12,580	16,920
Family Practice-NMRP, NS	80239	13,708	18,520	24,908
Family Practice-MRP, NMajS	80273	20,780	28,420	38,224
Family Practice-not primarily MajS	83009	28,560	39,308	54,836
Forensic Medicine	80240	7,344	9,608	12,924
Gastroenterology	80241	19,368	26,440	35,560
General Practice-NMRP, NS	80242	13,708	18,520	24,908
General Practice-MRP, NMajS	80275	20,780	28,420	38,224
General Practice-NMajS, prim.	80117	28,560	39,308	54,836
General Surgery-NMRP	84076	13,708	18,520	24,908
General Surgery-MRP, NMajS	82074	19,368	26,440	35,560
General Surgery	80143	39,872	55,148	76,932
Geriatrics	80243	9,468	12,580	16,920
Gynecology-NMRP, NS	81050	15,832	21,488	28,900
Gynecology/Obstetrics-MRP, NMajS	80277	24,316	33,368	44,880
Gynecological Surgery	86053	27,144	37,328	52,072
Hand Surgery-MRP, NMajS	82044	19,368	26,440	35,560
Hand Surgery	80169	27,144	37,328	52,072
Head/Neck Surgery	80170	27,144	37,328	52,072

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2D: COUNTY Sangamon

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Hematology	80245	13,708	18,520	24,908
Hospitalist, Family Practice	81083	15,832	21,488	28,900
Hospitalist, Internal Medicine	81084	15,832	21,488	28,900
Hospitalist, Pediatrics	81085	15,832	21,488	28,900
Industrial Medicine	80233	13,708	18,520	24,908
Infectious Disease	80246	15,124	20,500	27,572
Internal Medicine-NMRP	80257	15,832	21,488	28,900
Internal Medicine-MRP	80284	19,368	26,440	35,560
Neonatology	83015	39,872	55,148	79,084
Nephrology-NMRP	80260	15,124	20,500	27,572
Nephrology-MRP	80287	17,244	23,468	31,564
Neurology	80261	19,368	26,440	35,560
Neurosurgery-NMRP, NMajS	81045	13,708	18,520	24,908
Neurosurgery-MRP, NMajS	82045	22,196	30,400	40,888
Neurosurgery-No Intracranial Surgery	86027	59,672	82,868	118,832
Neurosurgery	80152	90,788	126,424	186,348
Nuclear Medicine	80262	13,708	18,520	24,908
Obstetrical/Gynecological Surgery	80153	55,432	76,928	110,316
Occupational Medicine	80079	7,344	9,608	12,924
Oncology	80259	13,708	18,520	24,908
Ophthalmology-NS	80263	9,468	12,580	16,920
Ophthalmic Surgery	80114	13,708	18,520	24,908
Oral/Maxillofacial Surgery	86154	13,708	18,520	24,908
Orthopaedics-NMRP, NS	81057	13,708	18,520	24,908
Orthopaedics-MRP, NMajS	82025	19,368	26,440	35,560
Orthopaedic Surgery w/o Spine	86026	42,704	59,108	84,760
Orthopaedic Surgery w/Spine	80154	59,672	82,868	118,832
Otorhinolaryngology-NMRP, NS	80060	7,344	9,608	12,924
Otorhinolaryngology-MRP, NMajS	80291	19,368	26,440	35,560
Otorhinolaryngology; No Elective Plastic	80159	22,904	31,388	42,216
Otorhinolaryngology; Head/Neck	80155	27,144	37,328	52,072
Otorhinolaryngology; Other than Head/Neck	86155	39,872	55,148	79,084

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2D: COUNTY Sangamon

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	9,468	12,580	16,920
Pediatrics-NMRP	80267	10,176	13,568	18,248
Pediatrics-MRP	80293	19,368	26,440	35,560
Physical Med. & Rehab.	80235	7,344	9,608	12,924
Plastic Surgery	80156	39,872	55,148	79,084
Podiatry, No Surgery	86601	9,468	12,580	16,920
Podiatry, Surgery	86602	17,244	23,468	31,564
Psychiatry	80249	9,468	12,580	16,920
Public Health & Preventive Medicine	80236	7,344	9,608	12,924
Pulmonary Diseases	80269	17,244	23,468	31,564
Radiology-NMRP	80253	17,244	23,468	31,564
Radiology-MRP	80280	19,368	26,440	35,560
Radiology-MajRP	83033	24,316	33,368	44,880
Radiation Oncology	87047	12,296	16,540	22,248
Rheumatology	80252	9,468	12,580	16,920
Sleep Medicine	81086	15,832	21,488	28,900
Thoracic Surgery-NMRP, NS	81065	13,708	18,520	24,908
Thoracic Surgery	80144	51,188	70,988	101,796
Urological Surgery	80145	22,196	30,400	40,888
Urology-MRP, NMajS	82040	19,368	26,440	35,560
Vascular Surgery-MRP, NMajS	82050	19,368	26,440	35,560
Vascular Surgery	80146	51,188	70,988	101,796
Physician, Clinical Practice Not Insurable	80086	1,468	1,920	2,584
Retired, Not in Practice	80179	1,468	1,920	2,584
Physician, No Clinical Practice	80085	1,468	1,920	2,584
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	7,344	9,608	12,924
Other, Specialty NOC	88002	9,468	12,580	16,920
Other, Specialty NOC	88003	10,176	13,568	18,248
Other, Specialty NOC	80268	13,708	18,520	24,908
Other, Specialty NOC	88005	15,832	21,488	28,900
Other, Specialty NOC	88006	15,124	20,500	27,572
Other, Specialty NOC	88007	17,244	23,468	31,564

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 2D: COUNTY Sangamon

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	19,368	26,440	35,560
Other, Specialty NOC	88009	16,540	22,480	30,236
Other, Specialty NOC	88010	22,196	30,400	40,888
Other, Specialty NOC	83041	24,316	33,368	44,880
Other, Specialty NOC	84042	27,144	37,328	52,072
Other, Specialty NOC	88013	28,560	39,308	54,836
Other, Specialty NOC	88014	39,872	55,148	79,084
Other, Specialty NOC	85043	42,704	59,108	84,760
Other, Specialty NOC	88016	51,188	70,988	101,796
Other, Specialty NOC	86044	55,432	76,928	110,316
Other, Specialty NOC	88018	59,672	82,868	118,832
Other, Specialty NOC	88019	20,780	28,420	38,224
Other, Specialty NOC	87045	90,788	126,424	186,348
Other, Specialty NOC	88021	12,296	16,540	22,248
Other, Specialty NOC	88022	22,904	31,388	42,216
Other, Specialty NOC	88023	39,872	55,148	76,932

For Non-Standard, Use: 88046

FTE/Surgicenter Rates	basis	count	rate per procedure/encounter		
	code	/ FTE	\$1M/\$3M	\$2M/\$4M	
Emergency Medicine	80102	4,000	N/A	7.85	10.55
Anesthesiology	80151	800	N/A	28.10	37.80
Urgent Care	80239	6,000	N/A	3.09	4.15
Surgicenter	N/A	N/A	N/A	13.93	18.66

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 3: REMAINDER OF STATE

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Allergy/Immunology	80254	6,832	8,888	11,956
Anesthesiology	80151	15,188	20,588	27,692
Anesthesiology-Pain Management	80182	15,188	20,588	27,692
Bariatrics	81076	12,616	16,988	22,848
Cardiac Surgery-MRP, NMajS	82042	17,760	24,188	32,532
Cardiac Surgery	80141	46,688	64,688	92,764
Cardiovascular Disease-NMRP, NS	80255	13,904	18,788	25,268
Cardiovascular Disease-Spec. MRP	82058	17,760	24,188	32,532
Cardiovascular Disease-MRP	80281	20,976	28,688	38,584
Colon Surgery	85004	22,260	30,488	41,008
Dermatology	80256	8,760	11,588	15,584
Dermatology with Tumescant Liposuction	81087	12,616	16,988	22,848
Diabetes	80237	12,616	16,988	22,848
Emergency Medicine-NMajS, prim	80102	20,976	28,688	38,584
Emergency Medicine-MajS	80157	24,832	34,088	47,552
Endocrinology	80238	8,760	11,588	15,584
Family Practice-NMRP, NS	80239	12,616	16,988	22,848
Family Practice-MRP, NMajS	80273	19,044	25,988	34,952
Family Practice-not primarily MajS	83009	26,116	35,888	50,064
Forensic Medicine	80240	6,832	8,888	11,956
Gastroenterology	80241	17,760	24,188	32,532
General Practice-NMRP, NS	80242	12,616	16,988	22,848
General Practice-MRP, NMajS	80275	19,044	25,988	34,952
General Practice-NMajS, prim.	80117	26,116	35,888	50,064
General Surgery-NMRP	84076	12,616	16,988	22,848
General Surgery-MRP, NMajS	82074	17,760	24,188	32,532
General Surgery	80143	36,404	50,288	70,152
Geriatrics	80243	8,760	11,588	15,584
Gynecology-NMRP, NS	81050	14,544	19,688	26,480
Gynecology/Obstetrics-MRP, NMajS	80277	22,260	30,488	41,008
Gynecological Surgery	86053	24,832	34,088	47,552
Hand Surgery-MRP, NMajS	82044	17,760	24,188	32,532
Hand Surgery	80169	24,832	34,088	47,552

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 3: REMAINDER OF STATE

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Head/Neck Surgery	80170	24,832	34,088	47,552
Hematology	80245	12,616	16,988	22,848
Hospitalist, Family Practice	81083	14,544	19,688	26,480
Hospitalist, Internal Medicine	81084	14,544	19,688	26,480
Hospitalist, Pediatrics	81085	14,544	19,688	26,480
Industrial Medicine	80233	12,616	16,988	22,848
Infectious Disease	80246	13,904	18,788	25,268
Internal Medicine-NMRP	80257	14,544	19,688	26,480
Internal Medicine-MRP	80284	17,760	24,188	32,532
Neonatology	83015	36,404	50,288	72,112
Nephrology-NMRP	80260	13,904	18,788	25,268
Nephrology-MRP	80287	15,832	21,488	28,900
Neurology	80261	17,760	24,188	32,532
Neurosurgery-NMRP, NMajS	81045	12,616	16,988	22,848
Neurosurgery-MRP, NMajS	82045	20,332	27,788	37,376
Neurosurgery-No Intracranial Surgery	86027	54,400	75,488	108,248
Neurosurgery	80152	82,688	115,084	169,632
Nuclear Medicine	80262	12,616	16,988	22,848
Obstetrical/Gynecological Surgery	80153	50,544	70,088	100,508
Occupational Medicine	80079	6,832	8,888	11,956
Oncology	80259	12,616	16,988	22,848
Ophthalmology-NS	80263	8,760	11,588	15,584
Ophthalmic Surgery	80114	12,616	16,988	22,848
Oral/Maxillofacial Surgery	86154	12,616	16,988	22,848
Orthopaedics-NMRP, NS	81057	12,616	16,988	22,848
Orthopaedics-MRP, NMajS	82025	17,760	24,188	32,532
Orthopaedic Surgery w/o Spine	86026	38,972	53,888	77,276
Orthopaedic Surgery w/Spine	80154	54,400	75,488	108,248
Otorhinolaryngology-NMRP, NS	80060	6,832	8,888	11,956
Otorhinolaryngology-MRP, NMajS	80291	17,760	24,188	32,532
Otorhinolaryngology; No Elective Plastic	80159	20,976	28,688	38,584
Otorhinolaryngology; Head/Neck	80155	24,832	34,088	47,552
Otorhinolaryngology; Other than Head/Neck	86155	36,404	50,288	72,112

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 3: REMAINDER OF STATE

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Pathology	80082	8,760	11,588	15,584
Pediatrics-NMRP	80267	9,404	12,488	16,796
Pediatrics-MRP	80293	17,760	24,188	32,532
Physical Med. & Rehab.	80235	6,832	8,888	11,956
Plastic Surgery	80156	36,404	50,288	72,112
Podiatry, No Surgery	86601	8,760	11,588	15,584
Podiatry, Surgery	86602	15,832	21,488	28,900
Psychiatry	80249	8,760	11,588	15,584
Public Health & Preventive Medicine	80236	6,832	8,888	11,956
Pulmonary Diseases	80269	15,832	21,488	28,900
Radiology-NMRP	80253	15,832	21,488	28,900
Radiology-MRP	80280	17,760	24,188	32,532
Radiology-MajRP	83033	22,260	30,488	41,008
Radiation Oncology	87047	11,332	15,188	20,428
Rheumatology	80252	8,760	11,588	15,584
Sleep Medicine	81086	14,544	19,688	26,480
Thoracic Surgery-NMRP, NS	81065	12,616	16,988	22,848
Thoracic Surgery	80144	46,688	64,688	92,764
Urological Surgery	80145	20,332	27,788	37,376
Urology-MRP, NMajS	82040	17,760	24,188	32,532
Vascular Surgery-MRP, NMajS	82050	17,760	24,188	32,532
Vascular Surgery	80146	46,688	64,688	92,764
Physician, Clinical Practice Not Insurable	80086	1,368	1,776	2,388
Retired, Not in Practice	80179	1,368	1,776	2,388
Physician, No Clinical Practice	80085	1,368	1,776	2,388
Phys. Treating Patients in Free Medical Clinic	81082	N/A	48	N/A
Other, Specialty NOC	80084	6,832	8,888	11,956
Other, Specialty NOC	88002	8,760	11,588	15,584
Other, Specialty NOC	88003	9,404	12,488	16,796
Other, Specialty NOC	80268	12,616	16,988	22,848
Other, Specialty NOC	88005	14,544	19,688	26,480
Other, Specialty NOC	88006	13,904	18,788	25,268
Other, Specialty NOC	88007	15,832	21,488	28,900

APPENDIX I

ANNUAL SEVENTH YEAR CLAIMS-MADE PREMIUM RATES - 10/1/11

TERRITORY 3: REMAINDER OF STATE

<u>MEDICAL SPECIALTY</u>	<u>CODE</u>	<u>\$500K/\$1.5M</u>	<u>\$1M/\$3M</u>	<u>\$2M/\$4M</u>
Other, Specialty NOC	80294	17,760	24,188	32,532
Other, Specialty NOC	88009	15,188	20,588	27,692
Other, Specialty NOC	88010	20,332	27,788	37,376
Other, Specialty NOC	83041	22,260	30,488	41,008
Other, Specialty NOC	84042	24,832	34,088	47,552
Other, Specialty NOC	88013	26,116	35,888	50,064
Other, Specialty NOC	88014	36,404	50,288	72,112
Other, Specialty NOC	85043	38,972	53,888	77,276
Other, Specialty NOC	88016	46,688	64,688	92,764
Other, Specialty NOC	86044	50,544	70,088	100,508
Other, Specialty NOC	88018	54,400	75,488	108,248
Other, Specialty NOC	88019	19,044	25,988	34,952
Other, Specialty NOC	87045	82,688	115,084	169,632
Other, Specialty NOC	88021	11,332	15,188	20,428
Other, Specialty NOC	88022	20,976	28,688	38,584
Other, Specialty NOC	88023	36,404	50,288	70,152

For Non-Standard, Use: 88046

FTE/Surgicenter Rates	basis code	count / FTE		rate per procedure/encounter	
				\$1M/\$3M	\$2M/\$4M
Emergency Medicine	80102	4,000	N/A	7.17	9.65
Anesthesiology	80151	800	N/A	25.74	34.62
Urgent Care	80239	6,000	N/A	2.83	3.81
Surgicenter	N/A	N/A	N/A	12.66	16.96

ISMIE MUTUAL ANNUAL ALLIED HEALTH PERSONNEL RATES - 10/01/11

SHARED LIMITS -- \$500K/\$1.5M

	CODE	Territory 1	Territory 1A	Territory 1B	Territory 2	Territory 2A	Territory 2B	Territory 2C	Territory 2D	Territory 3
Certified Clinical Nurse Specialist	12035	708	640	608	544	508	444	344	412	380
Certified Nurse Anesthetist	10151	860	780	740	660	616	536	416	496	456
Certified Nurse Midwife	10153	9,940	8,964	8,476	7,496	7,008	6,032	4,564	5,544	5,056
Dialysis Technician	10260	784	712	672	600	564	492	380	452	416
Nurse Practitioner	10239	708	640	608	544	508	444	344	412	380
Obstetrical RN (Other Than Nurse Midwife)*	12051	1,284	1,160	1,100	976	916	792	608	728	668
Orthopaedic Tech/Ortho RN	10154	2,288	2,064	1,952	1,728	1,616	1,392	1,056	1,280	1,168
Physician Assistant	10273	708	640	608	544	508	444	344	412	380
Psychologist	10249	476	432	412	368	348	304	240	284	264
Psychotherapist	11029	476	432	412	368	348	304	240	284	264
Social Worker	12028	476	432	412	368	348	304	240	284	264
Surgical Assistant	12029	708	640	608	544	508	444	344	412	380

*Not covered for intrapartum patient management

Territory 1: Counties of Cook, Jackson, Madison, St. Clair and Will

Territory 1A: County of Vermilion

Territory 1B: Counties of Kane, Lake, McHenry and Winnebago

Territory 2: County of Kankakee

Territory 2A: Counties of Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, and Randolph

Territory 2B: County of Grundy

Territory 2C: Counties of Adam, Knox, Peoria, and Rock Island

Territory 2D: County of Sangamon

Territory 3: Remainder of Illinois

ISMIE MUTUAL ANNUAL ALLIED HEALTH PERSONNEL RATES - 10/01/11
SEPARATE LIMITS -- \$500K/\$1.5M

		Territory	Territory	Territory	Territory	Territory	Territory	Territory	Territory	Territory
	CODE	1	1A	1B	2	2A	2B	2C	2D	3
Certified Clinical Nurse Specialist	12035	1,412	1,280	1,216	1,084	1,020	888	692	824	756
Certified Nurse Anesthetist	10151	1,720	1,560	1,480	1,316	1,236	1,072	832	992	912
Certified Nurse Midwife	10153	19,880	17,924	16,948	14,996	14,016	12,064	9,132	11,088	10,108
Chiropractor	12032	4,708	4,272	4,052	3,616	3,396	2,960	2,304	2,740	2,524
Critical Care Technician	12034	1,412	1,280	1,216	1,084	1,020	888	692	824	756
Dentist	12030	1,316	1,204	1,148	1,036	976	864	696	808	752
Dialysis Technician	10260	1,568	1,420	1,348	1,200	1,128	980	760	908	836
Nurse Practitioner	10239	1,412	1,280	1,216	1,084	1,020	888	692	824	756
Obstetrical RN (Other Than Nurse Midwife)*	12051	2,568	2,324	2,200	1,952	1,828	1,584	1,212	1,460	1,336
Optometrist	12031	632	576	548	492	464	408	324	380	352
Orthopaedic Tech/Ortho RN	10154	4,576	4,128	3,904	3,456	3,232	2,784	2,116	2,564	2,340
Pharmacist	12033	480	436	416	376	356	316	252	292	272
Physician Assistant	10273	1,412	1,280	1,216	1,084	1,020	888	692	824	756
Psychologist	10249	948	864	824	736	696	612	484	568	524
Psychotherapist	11029	948	864	824	736	696	612	484	568	524
Social Worker	12028	948	864	824	736	696	612	484	568	524
Surgical Assistant	12029	1,412	1,280	1,216	1,084	1,020	888	692	824	756

***Not covered for intrapartum patient management**

Territory 1: Counties of Cook, Jackson, Madison, St. Clair and Will

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Territory 2B: County of Grundy

Territory 2C: Counties of Adam, Knox, Peoria, and Rock Island

Territory 2D: County of Sangamon

Territory 3: Remainder of Illinois

ISMIE MUTUAL ANNUAL ALLIED HEALTH PERSONNEL RATES - 10/01/11

SHARED LIMITS -- \$1M/\$3M

		Territory	Territory	Territory	Territory	Territory	Territory	Territory	Territory	Territory
	CODE	1	1A	1B	2	2A	2B	2C	2D	3
Certified Clinical Nurse Specialist	12035	968	876	832	740	692	600	464	556	508
Certified Nurse Anesthetist	10151	1,184	1,072	1,016	900	844	732	560	676	616
Certified Nurse Midwife	10153	13,848	12,480	11,796	10,428	9,744	8,376	6,324	7,692	7,008
Dialysis Technician	10260	1,076	976	924	820	768	668	512	616	564
Nurse Practitioner	10239	968	876	832	740	692	600	464	556	508
Obstetrical RN (Other Than Nurse Midwife)*	12051	1,780	1,604	1,520	1,348	1,260	1,088	828	1,000	916
Orthopaedic Tech/Ortho RN	10154	3,184	2,868	2,712	2,400	2,244	1,928	1,460	1,772	1,616
Physician Assistant	10273	968	876	832	740	692	600	464	556	508
Psychologist	10249	644	584	556	496	468	408	316	376	348
Psychotherapist	11029	644	584	556	496	468	408	316	376	348
Social Worker	12028	644	584	556	496	468	408	316	376	348
Surgical Assistant	12029	968	876	832	740	692	600	464	556	508

***Not covered for intrapartum patient management**

Territory 1: Counties of Cook, Jackson, Madison, St. Clair and Will

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Territory 2D: County of Sangamon

Territory 3: Remainder of Illinois

ISMIE MUTUAL ANNUAL ALLIED HEALTH PERSONNEL RATES - 10/01/11
SEPARATE LIMITS -- \$1M/\$3M

	CODE	Territory 1	Territory 1A	Territory 1B	Territory 2	Territory 2A	Territory 2B	Territory 2C	Territory 2D	Territory 3
Certified Clinical Nurse Specialist	12035	1,936	1,752	1,660	1,480	1,388	1,204	928	1,112	1,020
Certified Nurse Anesthetist	10151	2,368	2,144	2,028	1,804	1,688	1,464	1,120	1,348	1,236
Certified Nurse Midwife	10153	27,696	24,960	23,952	20,856	19,488	16,752	12,648	15,384	14,016
Chiropractor	12032	6,456	5,844	5,540	4,928	4,620	4,008	3,092	3,704	3,396
Critical Care Technician	12034	1,936	1,752	1,660	1,480	1,388	1,204	928	1,112	1,020
Dentist	12030	1,768	1,612	1,532	1,372	1,296	1,136	900	1,056	976
Dialysis Technician	10260	2,152	1,948	1,844	1,640	1,536	1,332	1,024	1,228	1,128
Nurse Practitioner	10239	1,936	1,752	1,660	1,480	1,388	1,204	928	1,112	1,020
Obstetrical RN (Other Than Nurse Midwife)*	12051	3,556	3,212	3,040	2,692	2,520	2,176	1,656	2,004	1,828
Optometrist	12031	860	780	740	660	620	544	424	504	464
Orthopaedic Tech/Ortho RN	10154	6,364	5,740	5,424	4,800	4,488	3,860	2,920	3,548	3,232
Pharmacist	12033	644	584	556	500	472	412	328	384	356
Physician Assistant	10273	1,936	1,752	1,660	1,480	1,388	1,204	928	1,112	1,020
Psychologist	10249	1,288	1,172	1,112	992	932	816	636	756	696
Psychotherapist	11029	1,288	1,172	1,112	992	932	816	636	756	696
Social Worker	12028	1,288	1,172	1,112	992	932	816	636	756	696
Surgical Assistant	12029	1,936	1,752	1,660	1,480	1,388	1,204	928	1,112	1,020

***Not covered for intrapartum patient management**

Territory 1: Counties of Cook, Jackson, Madison, St. Clair and Will

Territory 1A: County of Vermilion

Territory 1B: Counties of Kane, Lake, McHenry and Winnebago

Territory 2: County of Kankakee

Territory 2A: Counties of Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, and Randolph

Territory 2B: County of Grundy

Territory 2C: Counties of Adam, Knox, Peoria, and Rock Island

Territory 2D: County of Sangamon

Territory 3: Remainder of Illinois

ISMIE MUTUAL ANNUAL ALLIED HEALTH PERSONNEL RATES - 10/01/11
SHARED LIMITS -- \$2M/\$4M

	CODE	Territory 1	Territory 1A	Territory 1B	Territory 2	Territory 2A	Territory 2B	Territory 2C	Territory 2D	Territory 3
Certified Clinical Nurse Specialist	12035	1300	1180	1120	996	932	808	624	748	684
Certified Nurse Anesthetist	10151	1,592	1,440	1,368	1,212	1,136	984	752	908	828
Certified Nurse Midwife	10153	20,384	17,896	16,916	14,952	13,972	12,012	9,068	11,032	10,048
Dialysis Technician	10260	1,448	1,312	1,244	1,104	1,032	900	688	828	760
Nurse Practitioner	10239	1,300	1,180	1,120	996	932	808	624	748	684
Obstetrical RN (Other Than Nurse Midwife)*	12051	2,396	2,156	2,044	1,812	1,696	1,464	1,112	1,344	1,232
Orthopaedic Tech/Ortho RN	10154	4,688	4,112	3,888	3,440	3,216	2,764	2,092	2,540	2,316
Physician Assistant	10273	1,300	1,180	1,120	996	932	808	624	748	684
Psychologist	10249	868	784	748	668	628	548	424	504	468
Psychotherapist	11029	868	784	748	668	628	548	424	504	468
Social Worker	12028	868	784	748	668	628	548	424	504	468
Surgical Assistant	12029	1,300	1,180	1,120	996	932	808	624	748	684

***Not covered for intrapartum patient management**

Territory 1: Counties of Cook, Jackson, Madison, St. Clair and Will

Territory 1A: County of Vermilion

Territory 1B: Counties of Kane, Lake, McHenry and Winnebago

Territory 2: County of Kankakee

Territory 2A: Counties of Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, and Randolph

Territory 2B: County of Grundy

Territory 2C: Counties of Adam, Knox, Peoria, and Rock Island

Territory 2D: County of Sangamon

Territory 3: Remainder of Illinois

ISMIE MUTUAL ANNUAL ALLIED HEALTH PERSONNEL RATES - 10/01/11

SEPARATE LIMITS -- \$2M/\$4M

	CODE	Territory 1	Territory 1A	Territory 1B	Territory 2	Territory 2A	Territory 2B	Territory 2C	Territory 2D	Territory 3
Certified Clinical Nurse Specialist	12035	2,604	2,356	2,232	1,992	1,868	1,620	1,248	1,496	1,372
Certified Nurse Anesthetist	10151	3,184	2,884	2,728	2,428	2,272	1,968	1,508	1,812	1,664
Certified Nurse Midwife	10153	40,768	35,792	33,832	29,908	27,944	24,024	18,136	22,060	20,100
Chiropractor	12032	8,684	7,860	7,452	6,628	6,212	5,392	4,160	4,980	4,568
Critical Care Technician	12034	2,604	2,356	2,232	1,992	1,868	1,620	1,248	1,496	1,372
Dentist	12030	2,376	2,168	2,060	1,844	1,744	1,528	1,212	1,420	1,312
Dialysis Technician	10260	2,896	2,620	2,480	2,204	2,064	1,792	1,376	1,652	1,516
Nurse Practitioner	10239	2,604	2,356	2,232	1,992	1,868	1,620	1,248	1,496	1,372
Obstetrical RN (Other Than Nurse Midwife)*	12051	4,784	4,320	4,088	3,620	3,388	2,928	2,228	2,696	2,460
Optometrist	12031	1,156	1,048	996	888	832	732	572	676	624
Orthopaedic Tech/Ortho RN	10154	9,368	8,232	7,780	6,884	6,436	5,536	4,188	5,088	4,636
Pharmacist	12033	868	784	748	672	636	556	440	516	480
Physician Assistant	10273	2,604	2,356	2,232	1,992	1,868	1,620	1,248	1,496	1,372
Psychologist	10249	1,732	1,576	1,496	1,336	1,252	1,096	856	1,016	936
Psychotherapist	11029	1,732	1,576	1,496	1,336	1,252	1,096	856	1,016	936
Social Worker	12028	1,732	1,576	1,496	1,336	1,252	1,096	856	1,016	936
Surgical Assistant	12029	2,604	2,356	2,232	1,992	1,868	1,620	1,248	1,496	1,372

***Not covered for intrapartum patient management**

Territory 1: Counties of Cook, Jackson, Madison, St. Clair and Will

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**MANUAL OF
RULES AND RATES**

OCTOBER 1, 2011

**ISMIE MUTUAL INSURANCE COMPANY
MEDICAL PROFESSIONAL LIABILITY
CLAIMS MADE INSURANCE PLAN**

**ILLINOIS MANUAL OF RULES & RATES
(Effective October 1, 2011)**

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(Effective October 1, 2011)




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GENERAL RULES

**ISMIE MUTUAL INSURANCE COMPANY
MEDICAL PROFESSIONAL LIABILITY
CLAIMS MADE INSURANCE PLAN**

**GENERAL RULES
(Effective October 1, 2011)**

I. GENERAL INSTRUCTIONS

This manual contains the rules and rates governing the underwriting of Physician, Professional Entity and Physician Clinic Professional Liability insurance written on a claims-made policy form.

Additional exposure risks, for which coverage is provided on or after the effective dates of any changes in this manual, either by endorsement of outstanding policies or by the issuance of separate policies, shall be written on the basis of the rates and rules in effect at the time the coverage is provided.

The following requirements shall be observed in the preparation of policies for insurance covered by this manual:

- A.** On policies issued to individual physicians or allied health personnel (separate limits), the NAMED INSURED shall be identified in the Declarations page by name and rating medical specialty.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a covered sole shareholder medical corporation) or by number (in the case of designated Allied Health Personnel employees).

- B.** On policies issued to professional entities whose qualification for said policy is established in **Appendix II**, the NAMED INSURED shall be identified on the Declarations page by its legal name.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a legal entity), or by number (in the case of designated Allied Health Personnel employees).

- C.** On policies issued to physician clinics (whose qualification for said policy is established in **Appendix IV**), the NAMED INSURED shall be identified on the Declarations page by its legal name.

I. GENERAL INSTRUCTIONS (Cont'd.)

C. (Cont'd.)

ADDITIONAL NAMED INSUREDS (who may be Doctors of Medicine, Doctors of Osteopathy or additional legal entity(ies)) shall be designated by the endorsement attached to the policy.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a legal entity), or by number (in the case of designated Allied Health Personnel employees).

- D.** When applicable, policies shall be endorsed to acknowledge any reported exceptions to the representations and warranties stipulated on the Declarations page.

Once a policy has been issued, any material changes thereto shall be accomplished by means of endorsement(s).

II. POLICY PERIOD

- A.** Policies are written for the period of time commencing with the policy effective date specified on the Declarations page and may be continued for successive calendar quarters upon payment of premium but expires upon cancellation, non-renewal, renewal by ISMIE Mutual or failure to renew by the NAMED INSURED.
- B.** Policies are generally written for a twelve (12) month period beginning on the policy effective date. At the NAMED INSURED's request, a policy may be written for a twenty-four (24) or thirty-six (36) month period.
- C.** For any policy written on a twenty-four (24) or thirty-six (36) month basis, the aggregate limit of liability (as described in Section VI, "Limits of Liability"), shall apply to each twelve (12) month period beginning with the policy effective date.
- D.** Any policy written for a twelve (12) month period may, upon the NAMED INSURED's request and approval by ISMIE Mutual be extended up to a maximum of ninety (90) additional days. The aggregate limit of liability (as described in Section VI, "Limits of Liability"), shall apply to the sum of the twelve (12) months plus any additional days.

III. SCOPE OF COVERAGE

For details of coverage and exclusions, refer to standard policy.

IV. PERSONS INSURED

For persons insured, refer to standard policy.

V. GENERAL DEFINITIONS

For general definitions, refer to standard policy.

VI. LIMITS OF LIABILITY

Manual rates and minimum premiums are calculated to provide optional basic or excess limits of either \$500,000, \$1,000,000, or \$2,000,000 "each person" and, subject to the foregoing choice of basic or excess limits, a corresponding annual aggregate of \$1,500,000, \$3,000,000 and \$4,000,000 respectively. These limits options apply only to the Physician and Professional Entities policies. **Appendix IV** describes limits options available to the Physician Clinic policy.

Except for limited circumstances in the Physician Clinic policy, the inclusion of more than one insured under a policy shall not operate to increase the limits of ISMIE Mutual's liability.

Except with respect to physicians in solo practice and moonlighting residents, all physicians insured under this plan must carry limits of liability at least equal to the limits of liability carried by any employer whether such employer is:

- 1) a physician
- 2) a professional entity, or
- 3) a physician clinic

VII. RATES AND PREMIUM CALCULATION

A. RATES. Annual and Reporting Endorsement premiums applicable to individual physicians for each specialty, territory, limit of liability and maturity year appear on the rate schedule at the beginning of **Appendix I**.

Premiums and rate categories for Allied Health Personnel (who may be either additional named insureds or additional insureds on the standard policy) appear on the rate schedule at the end of **Appendix I**.

B. (a) RATED RISKS. Every risk described in the "Annual Seventh Year Claims-Made Premium Rates" (**Appendix I**) for which the symbol **(a)** appears in lieu of a specific rating designation and any other risk, risk procedure or technique not otherwise identified or defined in the appendices forming a part of this manual, shall be submitted to ISMIE Mutual for rating.

VII. RATES AND PREMIUM CALCULATION (Cont'd.)

- C. CALCULATION OF PREMIUM.** The premium shall be determined on the basis of the units of exposure existing at policy inception and shall be calculated in accordance with the applicable rates, and rating plans contained or referenced in this manual. The developed premium is billed on a quarterly basis and shall be rounded to the nearest whole dollar. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. Interim premium adjustments including endorsements shall be calculated pro rata.
- D. MINIMUM PREMIUM RULE.** Subject to the Calculation of Premium procedures described above:
1. No Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) may be issued under this plan for a premium charge of less than the equivalent of 20% of the lowest offered specialty rating currently in effect in the insured physician's applicable rating territory and maturity year for liability limits of \$500,000/\$1,500,000.
 2. No Professional Entity Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) may be issued for less than a premium charge of \$400 per year.
- E. SURCHARGE PLANS.** The standard premiums in this manual are subject to a percentage increase based on defined risk characteristics and rules of applicability contained in the Surcharge Plan (**Appendix III**). A surcharge may be modified in accordance with the rules of the Surcharge Plan.
- F. MATURITY YEAR.** Each policyholder (whether a(n) individual physician, professional entity or physician clinic) shall, each policy period, have a designated maturity year. The measurement of the maturity year begins on the policyholder's RETROACTIVE DATE and advances each subsequent year thereafter until maturity is achieved.

Note: The policyholder's selected RETROACTIVE DATE cannot be changed after the policy is issued.

VIII. CANCELLATION / NON-RENEWAL

- A. BY ISMIE MUTUAL.** The earned premium shall be determined on a pro rata basis by multiplying the number of units of exposure for the period the policy was in force by the applicable rates.
- B. BY THE NAMED INSURED.** The earned premium shall be determined as the difference between written and return premium. Return premium will be calculated at 90% of pro rata. The earned premium so calculated shall also be subject to the Minimum Premium Rule. If cancellation is due to death, retirement or disabling illness, the earned premium shall be calculated on a pro rata basis.
- C. REPORTING ENDORSEMENT.** The rate schedule at the beginning of **Appendix I** contains the factors to be applied to the annual expiring premium for the purchase of a Reporting Endorsement. The purchase of said endorsement is applicable in the following circumstances:
- Upon policy termination of an individual physician or allied health personnel with separate limits insured on Form No. AP-1300
 - Upon policy termination of a professional entity, or limited liability company insured on Form No. AP-1300
 - Upon policy termination of a physician clinic insured on Form No. AP-1300, and
 - Upon severance of the relationship between an ADDITIONAL NAMED INSURED physician and the physician clinic (both insured on Form No. AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician. Either the NAMED INSURED or the ADDITIONAL NAMED INSURED physician may purchase a Reporting Endorsement on behalf of the ADDITIONAL NAMED INSURED physician.

The purchase of a Reporting Endorsement is subject to the terms and conditions specified in the standard policy.

1. The Reporting Endorsement premium for an individual physician or allied health personnel with separate limits (Form No. AP-1300) is subject to the NAMED INSURED's specialty, territory and limits of liability in effect as of the policy termination date. Notwithstanding the provisions of Section XII, "Supplementary Rules", Paragraph A-5, "Changes in Limits of Liability-Six Month Advance Notice", the NAMED INSURED may lower the limits of liability one day prior to the policy termination date.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

INDIVIDUAL

Manual Rate (7th Year Rate based upon limits, territory and specialty)

X Maturity Year Factor

= **Annual Base Premium**

X Part Time Factor,

or

X Newly Practicing Physician Discount Factor,

(use whichever applicable factor above would provide the highest discount)

= **Annual Adjusted Base Premium**

- Loss Free Discount (Loss Free Discount Factor x Annual Adjusted Base Premium)
 - Risk Rewards Discount (Risk Rewards Discount Factor x Annual Adjusted Base Premium)
-

= **Annual Discounted Premium (net of loss free and risk rewards discounts)**

X Tail Factor ∇

= **Reporting Endorsement Premium**

<u>∇Year</u>	<u>Factor</u>
1	3.306
2	3.153
3	2.401
4	2.178
5	2.196
6	2.183
7	2.180

For individuals rated on a non-standard basis (88046), the Group Discount (in dollars, if any) must be added back and the tail factor then applied.

If the individual is on suspended coverage at date of policy cancellation, calculation must revert to rating factors in effect before suspended coverage is in effect.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

2. The Reporting Endorsement premium as calculated may be paid all at once, or, it may be paid in annual installments over a three-year period calculated as follows:
 - a. Calculate the total cost of the Reporting Endorsement as above using the rates in effect as of the policy expiration date
 - b. Calculate the service charge. Such service charge shall be 6% of the total cost of the Reporting Endorsement and shall be payable in full in conjunction with the first installment and is not refundable
 - c. Calculate the installment amounts:
 - (1) **First Installment** - 50% of the total cost as determined in one (1) above
 - (2) **Second Installment** - 30% of the total cost as determined in one (1) above
 - (3) **Third Installment** - 20% of the total cost as determined in one (1) above;
 - d. The named insured's election to purchase the Reporting Endorsement on installments is irrevocable upon receipt by ISMIE Mutual of both the premium for the first installment and the service charge.
 - e. In the event of a physician's death subsequent to the cancellation date of the policy but prior to receipt of all installment payments, any remaining installment payments will be waived.
3. To determine the Reporting Endorsement premium for a professional entity (Form No. AP-1300), the individual physician premiums that have a premium bearing relationship to the professional entity are used. The premium is computed as follows:

For professional entities with four or less physician affiliates with premium bearing relationships: Using the individual physician rating method, multiply the annual adjusted base premium of each individual physician by a factor of .25 (25%). Then add these amounts together to determine an annual premium.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

For professional entities with five or more physician affiliates with premium bearing relationships: Determine the five highest rated physicians based upon their annual adjusted base premiums. Add these annual adjusted base premiums together and divide by 5.

= Annual Base Premium

X Tail Factor \overline{X}

= Reporting Endorsement Premium

\overline{X} Year	Factor
1	3.306
2	3.153
3	2.401
4	2.178
5	2.196
6	2.183
7	2.180

If a professional entity is rated non-standard (88046), apply the tail factor to the non-standard premium.

If a professional entity is rated on an auditable premium basis, the annual base premium is determined by multiplying the per exposure rate by the number of exposures. Apply the tail factor to the annual base premium.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

4. The Reporting Endorsement premium for a physician clinic (Form No. AP-1300) is calculated as follows:

Sum the annual adjusted base premium for each additional named insured on the clinic policy

+ Corporate base premium for the clinic using individuals with a premium bearing relationship

+ Allied Health Personnel Charge

= **Annual Clinic Base Premium**

- Loss Free Discount (sum of: Loss Free Discount x Adjusted Base Premium of each Additional Named Insured Physician)

- Risk Rewards Discount (sum of: Risk Rewards Discount x Adjusted Base Premium of each Additional Named Insured Physician)

= **Annual Discounted Premium**

X Tail Factor

= **Reporting Endorsement Premium**

<u>Year</u>	<u>Factor</u>
1	3.306
2	3.153
3	2.401
4	2.178
5	2.196
6	2.183
7	2.180

If a clinic is rated non-standard (88046), the Schedule Rating Credit (in dollars, if any) must be added back and the tail factor then applied.

If a clinic is rated on an auditable premium basis, the Schedule rating Credit (in dollars, if any) must be added back and the tail factor then applied.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

5. In the event of severance of the relationship between an ADDITIONAL NAMED INSURED physician and the NAMED INSURED physician clinic (both insured on Form AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician, either party may purchase a Reporting Endorsement on behalf of the physician. Such Reporting Endorsement premium shall be calculated as described in subparagraph 1.

Under these circumstances of severance between the parties, the ADDITIONAL NAMED INSURED shall be deleted by endorsement from the Physician Clinic policy. A separate policy (Form No. AP-1300) shall then be issued to the physician and the Reporting Endorsement for said physician shall be attached to this policy.

6. All premiums for the Reporting Endorsement are payable as of the due date shown on the Reporting Endorsement invoice. Any such premium not paid as of the due date shall be in default and shall be grounds for deleting the Reporting Endorsement. Any premium received after the due date shall be refunded within ten (10) business days and the Reporting Endorsement will be deleted.
7. A physician or allied health personnel (separate limits) may be granted a Reporting Endorsement without cost under the following circumstances:
 - a. Death
 - b. Disability (as defined in the policy--Form No. AP-1300), and
 - c. Retirement
 - i. "Retirement" means the permanent conclusion of and complete withdrawal from one's working or professional career as a physician or allied health personnel (separate limits)
 - ii. A credit toward the purchase of the Reporting Endorsement is computed as follows:
 - one-sixtieth (1/60) of the premium for each consecutive full month the physician or allied health personnel (separate limits) has had coverage with ISMIE Mutual for up to a total credit of 100% if the physician or allied health personnel (separate limits) has attained the age of fifty-five, or

Note: Policies written with an effective date prior to 7/1/03, which cancel after 7/1/03 will include any non-consecutive months in their credit.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

7. (Cont'd)

- one one-hundred twentieth (1/120) of the premium for each consecutive full month the physician or allied health personnel has had coverage with ISMIE Mutual for up to a total credit of 100%, regardless of the physician's or allied health personnel's age at retirement.

Note: Waiver of the full premium for a Reporting Endorsement based on retirement will be granted only once to a physician or allied health personnel.

- iii. Coverage with previous claims-made carriers may be substituted in lieu of ISMIE Mutual coverage so long as the physician is insured with ISMIE Mutual for at least one year prior to requesting the Reporting Endorsement.
8. A physician previously granted a Reporting Endorsement without cost because of retirement may, in the future, be considered for insurance with ISMIE Mutual under the following circumstances:
- a. Completion of an application for insurance and verification of appropriate CME courses;
 - b. Reapplication within two years of the retirement/cancellation date;
 - c. Has reported no claims or suits under the ISMIE Mutual tail; and,
 - d. Payment of the appropriate premium charge for the period the policy is either placed on suspended coverage or is rated part-time, 20%, Retired, Not in Practice and, at the same limits of liability, territory and maturity year in effect at the time of cancellation.
9. The premium calculated above in subparagraphs 1, 3 or 4 is subject to proration depending upon the policy termination date and the NAMED INSURED's maturity year.
- a. **Maturity Year One** – The Reporting Endorsement premium shall be computed on a pro rata basis for each day the policy has been in force and shall be rounded to the nearest whole dollar.
 - b. **Maturity Year Two Through Maturity Year Six** – The Reporting Endorsement premium shall be the composite of the prorated difference between the Reporting Endorsement premium at the end of the current policy period and the premium that would have been charged in the preceding policy period if the policy had been cancelled on the same date added to the Reporting Endorsement premium that would have been charged in the preceding policy period if the policy had been cancelled on the same date.
 - c. **Maturity Year Seven** – is not subject to proration.

IX. ADDITIONAL INTERESTS

A. NO ADDITIONAL CHARGE. The interests listed below may be included without additional premium charge.

1. Financial Control

- a. An entity holding title to real property or facilities used by the NAMED INSURED, or
- b. An entity performing administrative duties and/or functions on behalf of the NAMED INSURED

but only if such entity is financially controlled by the NAMED INSURED or the partners or shareholders thereof.

2. Medical Corporations

Any medical corporation organized under the Professional Service Corporation Act of Illinois or the Medical Corporation Act of Illinois, but only if such medical corporation is solely (100%) owned by an individual physician, regardless of the number of physicians or other professional employees.

B. ADDITIONAL CHARGE. All other additional interests shall be submitted to ISMIE Mutual for rating.

X. UNDERWRITING PROCEDURE

A. PHYSICIAN COVERAGE

- 1. Except as is provided in paragraph C of this section, individual physicians must be insured through the issuance of a Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300).
- 2. If a physician employs another physician, all such employed physicians must be insured with ISMIE Mutual and such insurance must be written with limits of liability at least equal to those carried by the employer physician.

X. UNDERWRITING PROCEDURE (Cont'd.)

A. PHYSICIAN COVERAGE (Cont'd.)

3. If a physician's primary office practice and primary hospital practice exist within different territorial boundaries, the territory to be used for rating purposes shall be:
 - a. Non-surgical specialties
 - use primary office practice location.
 - b. Surgical specialties including Anesthesiology, Cardiovascular Disease (MRP), Emergency Medicine, Family Practice (not primarily Major Surgery), General Practice (Not Primarily Major Surgery), Ophthalmic Surgery, Pathology, Radiology
 - use primary hospital practice location.
 - c. "Primary" means 51% or more of the physician's total practice time spent in a given territory. In the event the physician does not practice to this extent in one territory, the higher rated territory shall be utilized.
4. If a physician practices equally in two or more territories, or, if hospital-based, the physician practices equally in two or more hospitals which are located within different territorial boundaries, the higher rated territory shall be utilized for rating purposes.
 - a. **NOTE:** See subsection A-3-c above.
5. The premium shall be the sum of:
 - a. The rate applicable to the individual physician's specialty, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**, plus
 - b. The appropriate per person rate for each Allied Health Personnel employee whose rate appears on the rate schedule in **Appendix I**, plus
 - c. Any established surcharge.

X. UNDERWRITING PROCEDURE (Cont'd.)

A. PHYSICIAN COVERAGE (Cont'd.)

6. In the event a physician's specialty rating is reduced, no additional premium charge shall be made. However, if the physician terminates the policy within twenty-four (24) months from the effective date of a specialty reduction to either Physician, No Clinical Practice, Physician, Clinical Practice Not Insurable, Retired Not in Practice, or reduces to any other specialty, or if the physician has not yet attained the age of fifty-five (55), or if the physician does not otherwise qualify for retirement, the resulting Reporting Endorsement calculation shall be made at the old specialty designation previously in effect.
7. Any retrospective change with respect to a physician's specialty and/or territory may not be effective more than two years prior to the date upon which ISMIE Mutual receives written notice of the change of physician's specialty and/or territory.

B. PARTNERSHIP OR MEDICAL CORPORATION COVERAGE

See APPENDIX II

C. PHYSICIAN CLINIC COVERAGE

See APPENDIX IV

D. PRIOR ACTS COVERAGE

1. Prior Acts Coverage can be provided to either Physician, Professional Entity or Physician Clinic Coverage.
2. Prior Acts Coverage may not be written with a retroactive date earlier than July 1, 1981.

X. UNDERWRITING PROCEDURE (Cont'd.)

D. PRIOR ACTS COVERAGE (Cont'd.)

3. For policies written prior to February 17, 1998, the maturity year applicable for Prior Acts Coverage is determined by calculating the difference (in months) between the retroactive date and the policy effective date as shown in the following table:

# of Months <u>> = but <</u>		Maturity <u>Year</u>
0	12	1
12	24	2
24	36	3
36	48	4
48	60	5
60	72	6
72		7

4. For policies written on or after February 17, 1998, the appropriate maturity year will be measured from the RETROACTIVE DATE as described in Section VII, "Rates and Premium Calculations", paragraph F, "Maturity Year".
5. The premium for Prior Acts Coverage shall be calculated as described in Article X, "Underwriting Procedure," paragraphs A, B and C.

XI. PHYSICIAN SPECIALTY

- A.** Physician Specialty assignment for rating purposes shall be made on the basis of:

1. The physician's trained medical specialty. "Trained medical specialty" is defined as follows:
 - a. Completion of a bona fide residency program by the physician, or
 - b. Completion of a bona fide residency and fellowship program by the physician, or
 - c. If neither a. nor b. are applicable to the physician's circumstances, the type of medical practice engaged in by the physician, including how such physician is holding him/her self out to the public.
 - d. If the physician has completed medical training as defined in Item a. and/or b. in more than one specialty, the higher rated specialty classification will be assigned.
2. When applicable, performance or non-performance of medical procedures in accordance with the rules established for this plan contained in this manual.

XI. PHYSICIAN SPECIALTY (Cont'd.)

- B.** The initial basis of rating assignment shall be the physician's trained medical specialty as described above. To the extent that the physician's practice activity contemplated by the medical specialty may be increased by the performance of medical procedures not usual and customary to the trained specialty, or may be decreased by the non-performance of medical procedures that are usual and customary to the trained medical specialty, the physician's rating assignment may be adjusted higher or lower as specified in **Appendix I** of this manual.
- C.** The physician specialty rating schedules and rules of this manual do not apply to physicians in active United States Military Service or to the government practice activity of physicians employed on a full or part-time basis by any government agency, institution or facility, other than a medical school or student health center.

Physicians, professional entities, or limited liability companies and physician clinics who render or furnish medical services within any government-owned or operated institution or facility (except a medical school, a facility owned or operated by a medical school, a student health center) on a fee-for-service (independent contractor) basis shall be subject to (a) rating.

XII. SUPPLEMENTARY RULES

A. SPECIAL RULES GOVERNING PHYSICIAN RATING.

For purposes of reference and application, the following rules are listed and defined:

1. **NEWLY PRACTICING PHYSICIAN PREMIUM DISCOUNT RULE.** (See **Appendix I**, Explanatory Note III)
2. **PART-TIME RATING RULE.** (See **Appendix I**, Explanatory Note IV)

XII. SUPPLEMENTARY RULES (Cont'd.)

A. SPECIAL RULES GOVERNING PHYSICIAN RATING. (Cont'd.)

3. **SUSPENDED COVERAGE RULE.** (See **Appendix I**, Explanatory Note V)
4. **CHANGE IN SPECIALTY MINIMUM DURATION RULE.**
Physicians who voluntarily request either a decrease or increase in specialty assignment, may not request a further change in specialty assignment until a period of three months has elapsed. (NOTE: This rule shall not apply when it conflicts with any other underwriting rule in this plan.)
5. **CHANGES IN LIMITS OF LIABILITY-SIX MONTHS ADVANCE NOTICE.** Named insureds who voluntarily request an increase in policy limits, must give six months advance notice before such policy limits change may take effect.

The six month advance notice shall be waived under the following circumstances:

- a. where a NAMED INSURED's practice relationship is altered to the extent that a change in policy limits is required.
- b. where a NAMED INSURED's hospital practice location has mandated a particular level of policy limits as a prerequisite to medical staff privileges.
- c. where a NAMED INSURED's hospital affiliation is altered to the extent that a change in policy limits is required.
- d. where a NAMED INSURED's specialty rating is either decreased or increased.

XII. SUPPLEMENTARY RULES (Cont'd.)

A. SPECIAL RULES GOVERNING PHYSICIAN RATING (Cont'd.)

6. Notwithstanding any of the provisions of subparagraphs A-4 and A-5, no physician may voluntarily request a concurrent decrease or increase in rating assignment with a decrease or increase in limits of liability and then request another increase in limits of liability until a period of six months has elapsed.
7. **LOSS FREE DISCOUNT. (Appendix I, Explanatory Note VII)**
Physicians with no indemnity payments over a given experience period may qualify for a premium discount.
8. **RISK REWARDS DISCOUNT. (Appendix I, Explanatory Note XIII)**

B. RESTRICTIVE ENDORSEMENT RULE

Whenever a restrictive endorsement is attached to the individual policy of:

1. an employed physician, or
2. a physician who is either a partner, officer, director or shareholder of a partnership, medical corporation or physician clinic

a comparable endorsement shall be attached to the respective employer's policy. Such endorsement shall serve to limit the liability otherwise afforded under such policies, for the acts and omissions of the physician whose individual coverage was restricted, if the claim or suit arises out of the excluded activity.

XIII. SELF-INSURED RETENTION (SIR)

- A.** A Self-Insured Retention (SIR) program is available to certain policyholders who either desire to share in their losses in return for premium savings or have demonstrated a significant adverse loss profile, necessitating that they take a primary role in the management of their risk.
- B.** An SIR requires the policyholder to share financially in each and every claim based on minimum amounts of \$100,000 "each person"/\$300,000 "aggregate." Other amounts may be arranged depending on the financial and risk management expertise by the policyholder. The SIR will include both indemnity and expense payments.
- C.** Any premium credit, because of the assumption of an SIR, must be submitted to ISMIE Mutual for rating.
- D.** An SIR requires the policyholder to post a letter of credit or other suitable form of security.
- E.** If an aggregate amount is specified, such aggregate shall be at least three times the underlying amount (e.g., \$100,000/\$300,000).

XIV. DEDUCTIBLES

- A.** A deductible program is available to certain policyholders who either desire to share in their losses in return for premium savings or have demonstrated a significant adverse loss profile, necessitating that they take a primary role in the management of their risk.
- B.** A deductible requires the policyholder to share financially in each and every claim based on minimum amounts of \$100K “each person”/\$300,000“ aggregate. Other amounts may be arranged depending on the financial and risk management expertise by the policyholder. The deductible, which is inside the limits of liability, will include indemnity payments only.
- C.** Any premium credit, because of the assumption of a deductible, must be submitted to ISMIE Mutual for rating.
- D.** A deductible requires the policyholder to post a letter of credit or other suitable form of security.
- E.** If an aggregate amount is specified, such aggregate shall be at least three times the underlying amount (e.g., \$100,000/\$300,000).

XV. VICARIOUS LIABILITY COVERAGE

- A.** Vicarious liability coverage is available to certain policyholders who utilize independent contractors or leased employees in their practice.
- B.** A policyholder will have the ability to purchase vicarious coverage for an independent contractor or leased employee or non-ISMIE Mutual insured employee for whom the policyholder is not otherwise covered under the policy, subject to underwriting. A separate charge will be applicable per independent contractor, leased employee, or non-ISMIE Mutual insured employee.
- C.** A charge of 15% of ISMIE Mutual’s mature rate based on the Named Insured’s territory and limits of liability and the appropriate specialty classification of each contracted, leased, or non-ISMIE Mutual insured employee will be assessed to the policyholder.
- D.** A charge of 5% of ISMIE Mutual’s mature rate based on the Named Insured’s territory and limits of liability and the appropriate specialty classification of each contracted or leased employee will be assessed to the policyholder.

XVI. QUARTERLY PREMIUM PAYMENT INSTALLMENT PLAN

- A.** The annual new business and renewal premiums of each policyholder will be invoiced over four quarterly installments.
- B.** The initial payment of 25% of the estimated annual premium is due at policy inception.
- C.** The remaining premium is also invoiced at 25% of the estimated annual premium and is due three, six and nine months from policy inception.
- D.** There is no fee or interest charge assessed by ISMIE Mutual for the quarterly installment plan.
- E.** Additional premium resulting from midterm changes to the policy are invoiced equally over the remaining installments due. If no installments remain, the additional premium may be billed immediately.

ENDORSEMENTS AND FORMS USED IN THIS PLAN

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN

Form Number	Title
AA-1000	Application for Physician Professional Liability Insurance
AE-1500-1	50% ER Special Charge
AE-1500-2	Address Change Endorsement
AE-1500-3	County and Territory Change Endorsement
AE-1500-4	County Change Endorsement
AE-1500-5	Limits Change Endorsement
AE-1500-6	Name Change Endorsement
AE-1500-7	Named Allied Health Personnel Endorsement
AE-1500-8	Allied Health Personnel Change Endorsement
AE-1500-9	Specialty Change Endorsement
AE-1501-1	Part-Time Coverage Endorsement
AE-1501-2	Part-Time Coverage Endorsement with Exclusion
AE-1502	Retired Physician Endorsement
AE-1505	Emergency Medicine Exclusion Coverage Endorsement
AE-1509	Exclusion Endorsement Medical Procedure Restriction (Comprehensive)
AE-1513	Exclusion Endorsement Medical Procedure Restriction (Major Risk)
AE-1515-2	Historical Suspended Coverage Period Endorsement
AE-1515-4	Historical Suspended Coverage for Military Duty Endorsement
AE-1519	Deletion Endorsement
AE-1529-1	Annual Physician Statement
AE-1529-2	Semi-Annual Physician Statement
AE-1529-3	Quarterly Physician Statement
AE-1530	"No Clinical Practice" Coverage Endorsement
AE-1531	Former Employee Endorsement
AE-1532	Limited Vicarious Liability

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN (Cont'd.)

<u>Form Number</u>	<u>Title</u>
AE-1534	IDFPR Conditions Endorsement
AE-1537	Controlled Substances Exclusion Endorsement
AE-1547	Free Medical Clinic Coverage Endorsement
AA-1075	Application for Additional Insured (Locum Tenens)
BA-3000	Application for Partnership/Corporation or Clinic Option Professional Liability Insurance
BAA-1	Business Associate Agreement
BE-3510 BE-3511	Former Officer, Director, Partner, Shareholder or Employee Endorsement Auditable Premium Endorsement
ABE-2501	Policy Cancellation Endorsement
ABE-2502-2	Uninsured Period of Coverage Endorsement
ABE-2503 ABE-2504	Non-Payment of Premium Cancellation Endorsement Non-Payment Cancellation of Reporting Endorsement
ABE-3275-2	Reinstatement Endorsement
ABE-4508-7	Medical Procedure Exclusion Endorsement
ABE-4526 ABE-4527	Doing Business as (DBA) Endorsement Article VII, "Conditions" - Amendment Endorsement
ABE-4532	Persons Insured Exclusion Endorsement
ABE-4539	Producer Endorsement
ABE-4543	Article II, Exclusions and Article VII, Conditions Amendment Endorsement (State of Wisconsin)

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN (Cont'd.)

Form Number	Title
CE-5511	Auditable/FTE Premium Endorsement
CE-1515-M	Suspended Coverage Endorsement for Military Duty
CE-3511-F	Auditable/FTE Facility Premium Endorsement
CE-5515	Suspended Coverage Endorsement
CE-5516	Extension of Suspended Coverage Endorsement
CE-5517	Deletion of Suspended Coverage Endorsement
CE-5518-1	Locum Tenens Coverage Endorsement
CE-5518-2	Historical Locum Tenens Coverage Endorsement
CE-5524-1	Surcharge Premium Adjustment
CE-5525-1	Reporting Endorsement "Total"
CE-5525-2	Reporting Endorsement "Installments"
CE-5544-1	Additional "Named Insured" Deletion Endorsement
CE-5546-2	Specified "Professional Services" Endorsement
CE-5547	Higher Limits for the Named Insured
CE-5548	"Named Insured" No Coverage Endorsement
CE-5553	Additional Insured Endorsement
CE-5554	Additional Named Insured with Sole Shareholder Corporation
CE-5555	Each and Every Limits Endorsement
CE-5556	FTE Implied Extension Endorsement
CE-5580-1	Practice Activity Exclusion Endorsement
L-2207	Medical Training Coverage
L-2214-2	Medical Director Waiver Endorsement

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN (Cont'd.)

<u>Form Number</u>	<u>Title</u>
L-2217 L-2217-1	Policy Cancellation Endorsement Policy Cancellation Endorsement
L-2229	Multi to Sole Shareholder Corporation Endorsement
L-2236	Governmental Activity Waiver Endorsement
L-2242	Self-Insured Retention (SIR) Endorsement – Indemnity Only
L-2243	Self-Insured Retention (SIR) Endorsement – Indemnity and Expense
L-2244	Deductible Endorsement – Indemnity Only
L-2245	Article II, Exclusions Amendment Endorsement Vicarious Liability-Buy Back Endorsement, Physician
L-2246	Article II, Exclusions Amendment Endorsement Vicarious Liability-Buy Back Endorsement, Non-Physician
L-2249	Cyber Liability Endorsement
L-2250	Cyber Liability Reporting Endorsement
L-2500	Notice of Cancellation or Non-Renewal
M-117	Cancellation of Certificate Holder
M-118	Certificate of Insurance
PP-1215-A2	Application for Part-Time Rating Professional Liability Insurance

EXPLANATORY NOTES

EXPLANATORY NOTES:

The following represent the maturity factors to be applied in the event a policyholder is insured for less than seven years with ISMIE Mutual:

<u>Year</u>	<u>Factor</u>
1st	.250
2nd	.500
3rd	.780
4th	.925
5th	.950
6th	.975
7th	1.000

NOTE: The premium of Allied Health Personnel with separate limits is calculated by applying the 7th year maturity factor only.

The following represent the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

<u>Year</u>	<u>Factor</u>
1st	3.306
2nd	3.153
3rd	2.401
4th	2.178
5th	2.196
6th	2.183
7th	2.180

NOTE: The reporting endorsement premium of Allied Health Personnel with separate limits is calculated by applying the 7th year tail factor only.

APPENDIX I

EXPLANATORY NOTES:

- I. Territory 1** includes the Counties of Cook, Jackson, Madison, St. Clair, and Will.
- Territory 1A** includes the County of Vermilion.
- Territory 1B** includes the Counties of Kane, Lake, McHenry, and Winnebago.
- Territory 2** includes the County of Kankakee.
- Territory 2A** includes the Counties of Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, and Randolph.
- Territory 2B** includes the County of Grundy.
- Territory 2C** includes the Counties of Adams, Knox, Peoria, and Rock Island.
- Territory 2D** includes the County of Sangamon.
- Territory 3** includes the remaining Counties in Illinois.

- II.** The following defines the medical procedure terms referenced in the listing of medical specialty designations/rates.

A. Specified Minor Risk Procedures (SMRP)

1. Cardiologists

Assisting in surgery, insertions of cardiac pacemaker (temporary or permanent), pericardiocentesis.

Cardiologists who perform the specified risk procedures listed will be rated accordingly. Performance of other minor risk procedures not specified will increase the premium charge.

B. Minor Risk Procedures (MRP)

Except as noted under A. 1, physicians with nominal specialty designation/risk notation of NMRP performing any of the following minor risk procedures will be assigned to a specialty designation/risk notation of MRP.

Interventional Cardiology

1. Angiography.
2. Arteriography.

EXPLANATORY NOTES:

II. (Cont'd).

B. Minor Risk Procedures (MRP) (Cont'd.)

3. Arterial, Venuous, Cardiac or other Diagnostic Catheterizations. This does not apply to Swan-Ganz, umbilical cord, urethral catheterization or arterial line in a peripheral vessel, which are covered under a specialty designation/risk notation of NMRP.
4. Defibrillation Insertion.
5. Electro-physiological studies and ablations.
6. Insertion of Balloon Expandable Stent.
7. Insertion of Cardiac Pacemaker whether temporary or permanent.
8. Insertion of intra-aorta balloon pump.
9. Intracoronary Infusions.
10. Myocardial Biopsies.
11. Pericardiocentesis.
12. Percutaneous Transluminal Therapeutic Angioplasty including placement of stents.

Ophthalmic Surgery

1. Either extraocular only or extraocular and intraocular (includes surgery for glaucoma, cataract, retinal detachment and strabismus surgery including YAG Laser Treatment for membrane opacity, Laser Trabeculoplasty and Laser Iridectomy, Incision and Curettage, corneal implants).
2. Astigmatic Keratotomy (AK), Automated Lamellar Keratoplasty (ALK), Conductive Keratoplasty (CK), Laser-Assisted in situ Keratomileusis (LASIK), Laser Thermal Keratoplasty (LTK), Photorefractive Keratotomy (PRK), Radial Keratotomy (RK) or Refractive Lens Exchange (RLE) Surgery.

Other

1. Assisting in the performance of surgery.
2. Interstitial Hyperthermia.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

B. Minor Risk Procedures (MRP) (Cont'd.)

3. Interventional Radiology such as Embolization, (Including Extracranial), Therapeutic Radiology, Deep Therapeutic Radiology (Includes Radium Implants). Percutaneous Transluminal Angioplasty, Percutaneous Nephrostomy and drainage procedures .
4. MRI Guided Focused Ultrasound for Treatment of Uterine Fibroids.
5. Vascular access for Dialysis (Including Tunneled Catheter).
6. Ultrasound Hyperthermia (Superficial only).

Obstetrical Procedures

1. Normal Vaginal Deliveries, uncomplicated obstetrical care either prenatal (which may include amniocentesis) and post-partum only, and/or cephalic vaginal deliveries performed in a hospital which may also include episiotomy and application of outlet/low forceps or vacuum cup only.
2. V-BAC (Vaginal Birth After C-Section). Physician must consult with another physician qualified to perform C-sections during the prenatal course, and must arrange for appropriate backup during delivery with a physician qualified to perform C-sections who is within 20 minutes traveling time of the hospital.

Gynecological Procedures

1. Amniocentesis.
2. Cervical Conization.
3. D&C (Does not apply to termination of pregnancy).
4. Endometrial Ablation.
5. LEEP.
6. Essure Sterilization.
7. Co2 Laser of Cervix.
8. Marsupilation of Bartholeum Cyst.
9. Operative Hysteroscopy.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

C. Major Risk Procedures—Limited Performance (LMaJRP)

Performance of major risk procedures by a physician increases the premium charge if these activities represent more than an incidental portion of the physician's practice:

Gynecological Surgeries:

1. Termination of Pregnancy.

NOTE:

Induced, non-spontaneous, in the first 12 weeks, rated similar to Gynecological Surgery.

2. Anterior/Posterior Repair.
3. Diagnostic Laparoscopy.
4. Fallopian Tube Recanalization.
5. Hysterectomy (with or without salpingo oophorectomy).
6. Myomectomy .
7. Operative Laparoscopy (includes tubal sterilization).
8. Ovarian Cystectomy .

Obstetrical Procedures:

1. Mid-forceps Delivery, Mid Vacuum.
2. Cesarean Section (primary, repeat).
3. Breech Delivery, Vaginal.
4. External Version.
5. Multiple Gestation, Vaginal Delivery.
6. Version and Extraction, 2nd Twin.
7. Chorionic Villi Sampling.

EXPLANATORY NOTES:

II. (Cont'd.)

**C. Major Risk Procedures—Limited Performance (LMaJRP)
(Cont'd).**

Orthopaedic Procedures:

1. Closed reduction of dislocations other than fingers, toes and shoulders.
2. Open reduction of fractures or dislocations.
3. Amputations (other than digital).
4. Any fracture of the pelvis that is displaced and/or involves concomitant injury to adjacent or subjacent organs due to the fracture.
5. Any fracture of the vertebrae that is dislocated and/or involves concomitant injury to the spinal cord or other adjacent or subjacent organs due to the fracture.
6. Orthopaedic Surgery including obtaining an Iliac Crest Bone Graft and open procedures on the coccyx but excluding open procedures on the rest of the spine.
7. Shoulder replacement.

Other Major Surgery Procedures:

Generally attributable to Specialists of Obstetrics, Gynecology, Orthopaedic, General, Cardiac, Vascular, Plastic Surgery, etc.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

D. Major Risk Procedures--Dominant Performance (MajRP)

Family Practice, General Practice or other similarly rated physicians performing any of the following **major risk procedures** where these activities represent the dominant procedures performed by the physician will be rated similarly to the specialty which generally performs such procedures on a regular and customary basis (subject to verification of training and underwriting approval):

Gynecological Surgeries:

1. Termination of Pregnancy.

NOTE:

Induced, non-spontaneous, in the first 12 weeks, rated similar to Gynecological Surgery.

2. Anterior/Posterior Repair.
3. Diagnostic Laparoscopy.
4. Fallopian Tube Recanalization.
5. Hysterectomy (with or without salpingo oophorectomy).
6. Myomectomy.
7. Operative Laparoscopy (includes tubal sterilization).
8. Ovarian Cystectomy .

Obstetrical Procedures:

1. Mid-forceps Delivery, Mid Vacuum.
2. Cesarean Section (primary, repeat).
3. Breech Delivery, Vaginal.
4. External Version.
5. Multiple Gestation, Vaginal Delivery.
6. Version and Extraction, 2nd Twin.
7. Chorionic Villi Sampling.

EXPLANATORY NOTES:

II. (Cont'd.)

**D. Major Risk Procedures--Dominant Performance (MajRP)
(Cont'd.)**

Orthopaedic Procedures:

1. Closed reduction of dislocations other than fingers, toes and shoulders.
2. Open reduction of fractures or dislocations.
3. Amputations (other than digital).
4. Any fracture of the pelvis that is displaced and/or involves concomitant injury to adjacent or subjacent organs due to the fracture.
5. Any fracture of the vertebrae that is dislocated and/or involves concomitant injury to the spinal cord or other adjacent or subjacent organs due to the fracture.
6. Orthopaedic Surgery including obtaining an Iliac Crest Bone Graft and open procedures on the coccyx but excluding open procedures on the rest of the spine.
7. Shoulder replacement.

Other Major Surgery Procedures:

Generally attributable to Specialists of Obstetrics, Gynecology, Orthopaedic, General, Cardiac, Vascular, Plastic Surgery, etc.

Otorhinolaryngology:

Performance of elective cosmetic surgery on the head or neck increases the premium charge, elective cosmetic other than the head or neck will be rated similarly to plastic surgery subject to verification of training and underwriting approval.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

D. Major Risk Procedures--Dominant Performance (MajRP) (Cont'd).

General Surgeons:

Performance of major risk procedures, as outlined above, generally attributable to other surgical specialists will not increase the premium charge provided these activities do not represent more than an incidental portion of the physician's practice; if these activities do represent more than an incidental portion, the physician will be rated similarly to the specialty which generally performs such procedures on a regular and customary basis.

E. Major Risk Procedures

Notwithstanding any other provision of paragraphs C. and D., the following procedures are rated as follows:

1. Administration of General Anesthesia, including intubation and Regional Anesthesia and Therapeutic Anesthesia for pain management (spinal nerve blocks, pumps, stimulators, etc.) will be rated similarly to anesthesia.
2. Extensor Tendon Repair will be rated similarly to General Surgery.
3. Hand and Wrist Surgery and Upper Extremity Surgery, including elbow and shoulder (other than shoulder replacement) will be rated similarly to Hand Surgery.
4. Neurosurgery, Gamma Knife (Leskell Gamma Radiosurgical Unit) and Intracranial Balloon Embolization will be rated similarly to Neurosurgery.
5. Organ Transplantation will be rated based on the specialty which generally performs such procedures on a regular and customary basis.
6. Spinal Surgery, including all open procedures on the spine (excluding the coccyx and obtaining an Iliac crest bone graft) and Chemonucleolysis will be rated similarly to that of Orthopaedics With Spinal Surgery.
7. Liposuction/Suction Lipectomy (Including Tumescant or Lipodissolve/Mesotherapy) will be rated similarly to Plastic Surgery.
8. Surgery for the treatment of Obesity (including Gastric Stapling, Laparoscopic Adjustable Gastric Band - LAP Band), Gastric Bypass Sleeve Resection, Duodenal Switch Procedures) or other similar surgical procedures for the treatment of morbid obesity, obesity or weight. Reduction will be rated similarly to that of General Surgery.

EXPLANATORY NOTES:

II. (Cont'd.)

E. Major Risk Procedures (Cont'd.)

9. Temporomandibular Joint Surgery including total replacement, arthroscopy, alloplastic implants or meniscal repair via placentation will be rated similarly to that of Orthopaedics Without Spinal Surgery.
10. Urological Surgery includes Vasectomy, Adult Circumcision and Therapeutic Cystoscopy, and insertion of penile prostheses or similar procedure.

III. Newly Practicing Physician Premium Discount Rules

- A.** Applicable to any physician who, as of the inception date of insurance in the ISMIE Mutual program, is entering the practice of medicine for the first time or has been in practice for less than 48 months following:

1. Attainment of medical license, or
2. Completion of residency or fellowship training including completion by an established practitioner of training in a different medical specialty in which the physician intends to practice, or
3. Completion of military service or other extended government service (e.g., National Health Service Corps., etc.)

NOTE: A physician who is insured for "moonlighting" activity while still enrolled in a medical training program is ineligible for a premium discount under this rule.

- B.** The premium discount is a percentage calculated from the time a physician enters medical practice and prorated within the first four policy years. The applicable discount is determined by the length of time the physician has been in practice as of the inception date of insurance, according to the following table:

APPENDIX I

EXPLANATORY NOTES:

III. Newly Practicing Physician Premium Discount Rules (Cont'd.)

NEWLY PRACTICING PHYSICIAN PREMIUM DISCOUNT TABLE

	TIME IN PRACTICE	% OF DISCOUNT	% INSURED PAYS
1st Practice Year	1 - 12 Months	50%	50%
2nd Practice Year	13 - 24 Months	35%	65%
3rd Practice Year	25 - 36 Months	20%	80%
4th Practice Year	37 - 48 Months	5%	95%

C. The premium discount applies:

1. To eligible new and renewal business effective on or after July 1, 1999;
2. In lieu of and not in addition to the "part-time rating" rules. A physician who is eligible for rate reduction under either set of rules shall automatically be entitled to the benefit of whichever rule affords the greater premium discount. This determination will be made for each policy year until the physician's eligibility for the "Newly Practicing Physician" premium discount has expired;
3. May be superseded but not extended by the benefit of "suspended coverage" rating.

IV. Part-Time Rating Rules

- A.** The following part-time categories may be applicable to the individual physician if the criteria established in paragraphs B and C are met by such physician:
1. Individual physician is "Retired, Not in Practice."
 - a. Coverage afforded under the Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) is limited to the occasional treatment of friends and relatives without remuneration.

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

A. (Cont'd.)

- b. The premium shall be 20% of the rate applicable to the lowest specialty designation based on the individual physician's territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**
- 2. Individual physician is a "moonlighting" resident whose "average weekly practice time" is not more than 10 hours per week. **Exception: Not more than 12 hours per week for Emergency Room Medicine.**
 - The premium shall be 27.5% of the rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**
- 3. Individual physician whose "average weekly practice time" is not more than 21 hours per week. **Exception: Not more than 24 hours per week for Emergency Room Medicine.**
 - The premium shall be 60% of the rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**
- 4. Individual physician whose "average weekly practice time" is 22 hours or more per week.
 - The premium shall be 100% of the rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**

B. The criteria for part-time rating consideration for an individual physician who is "Retired, Not in Practice" is as follows:

- 1. In the case of a physician with "Retired, Not in Practice", the individual physician must submit a written request for part-time rating based on the retirement from active practice.
- 2. Upon establishment of the aforementioned criteria, a physician who is:
 - "Retired, Not in Practice" shall have his/her policy endorsed with the Retired Physician Endorsement (AE-1502).

APPENDIX I

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

C. The criteria for part-time consideration for all other physicians are as follows:

1. "Average weekly practice time" as determined on the basis of the physician's written representations meets the "hour per week" limitations as specified in subparagraphs A-2 and A-3.
 - a. "Average weekly practice time" is defined to include all of the following:
 - (1) all clinical patient care;
 - (2) completion of patient medical records; and,
 - (3) consultations.
2. "Average weekly patient volume" as determined on the basis of the individual physician's submission of written verification.
 - a. Any of the foregoing which substantiates "average weekly patient volume" at each surgi center, emergi center, walk-in clinic or other outpatient facility where professional services are rendered to patients for which coverage is desired.
 - b. The "average weekly patient volume" so determined must correlate to "average weekly practice time" as specified in subparagraph C-1.
3. Any professional activity for which coverage is not desired, and which requires the issuance of an exclusionary endorsement attached to the individual physician's policy with respect to such activity, shall be considered in the application of subparagraphs C-1 and C-2. Verification of coverage for such activity must be received by ISMIE Mutual.
4. Notwithstanding any of the provisions of subparagraphs C-1, C-2 and C-3, a physician who schedules patient appointments more than four days per week may not be considered for part-time rating. This includes patient contact in a hospital, surgi center, emergi center or other out-patient facility.

NOTE: Physicians may not apply for part-time and simultaneously request cancellation of their policy. Part-time rating can only be considered for an in force policy. If the physician terminates the policy within six months of a reduction to part-time, the Reporting Endorsement premium calculation shall be made at the standard full time premium previously in effect.

APPENDIX I

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

C. (Cont'd.)

5. Notwithstanding any of the provisions of subparagraphs C-1, C-2, C-3 and C-4, no physician who practices more than 26 weeks per year may be considered for part-time rating.
6. Upon establishment of the aforementioned criteria, either a Part-Time Coverage Endorsement (AE-1501) or Part-Time Emergency Medicine Endorsement (AE-1503) shall be attached to the individual physician's policy.
7. Physician must complete the Application for Part-Time Rating (form PP-1215-A2) and submit at least six months of documentation to apply for part-time. Once part-time eligibility has been established, a reduction will be granted effective on the date the physician's documents are received by ISMIE MUTUAL, or no greater than 6 months retroactive from the date all documents are received by ISMIE Mutual.

D. Individual physicians with a nominal specialty designation/risk notation of NMRP, MRP, SMRP or LMajRP, who in addition to their specialty practice also engage in emergency room services, other than for the purpose of satisfying hospital staff privilege requirements, may be eligible for composite rating as follows:

1. 22 hours per week or more of specialty practice subject to not more than 24 hours per week of emergency room services.
 - The premium shall be the sum of 50% of the rate applicable to a specialty designation/risk notation of NMRP, MRP, SMRP or LMajRP, and 50% of the rate applicable to Emergency Medicine--NMajS, prim. based on the individual physician's territory, limits of liability and maturity year which appear on the rate schedule in **Appendix I**.
2. 25 hours per week or more of emergency room services.
 - The premium shall be 100% of the rate applicable to Emergency Medicine--NMajS, prim., the individual physician's territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**.

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

E. "Free Medical Clinic" Coverage.

Individual physicians whose sole insurable practice activity is rendering professional services in a "Free Medical Clinic" for no remuneration may be eligible for an annual rate of \$48 for limits of \$1 million/\$3 million, regardless of territory. This premium cannot be lowered for any reason.

1. A physician cannot reduce to this specialty from any other rating classification identified in this manual.
2. No prior acts coverage is afforded under this classification for a physician's rendering of professional services outside of a Free Medical Clinic.
3. The physician shall have his/her policy endorsed with the endorsement (AE-1547).
4. Upon termination of the policy, the physicians will be eligible to purchase a Reporting Endorsement as outlined in **General Rules**, Section VIII, C. with the following exception:

Premium for a Reporting Endorsement for physicians whose sole insurable practice activity was rendering professional services in a "Free Medical Clinic" will be waived.

APPENDIX I

EXPLANATORY NOTES:

V. Suspended Coverage Rules

These rules apply to a physician who is temporarily in an "inactive practice" status due to voluntary interruption of practice (e.g., vacation, travel, continuing education, research, etc.), or involuntary interruption of practice (e.g., incapacitating illness or disability, other health reasons, including pregnancy, etc.).

A. If leave of absence is one (1) month or less

1. No premium reduction shall be given. If the insured requests cancellation (written request from insured required), reinstatement may not take effect prior to a three (3) month waiting period and will be subject to re-underwriting including the required purchase of a Reporting Endorsement at the time of cancellation.

B. If leave of absence is more than one (1) month but does not exceed one (1) year

1. Regardless of the reason for interruption of practice, the insured may be offered the alternatives outlined in a. and b. below subject to the rules contained therein.
 - a. Cancellation. Reinstatement may not take effect prior to a three (3) month waiting period and will be subject to re-underwriting including the required purchase of a Reporting Endorsement at the time of cancellation.
 - b. Suspended coverage by means of endorsement AE-1515-1.
 - (1) The premium shall be 25% of the standard full-time rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**.
 - (2) Such premium shall be prorated for the period of time the policy will be maintained in suspended status; however, in no event may the period of time exceed one (1) year.
 - (3) The suspended coverage rate reduction does not apply to any other charges used in developing the policy premium (e.g., surcharges, additional insureds, etc.), nor does it estop the passage of time applicable to the Newly Practicing Physician Premium Discount.

NOTE: Physicians may not request suspended coverage with a concurrent change to specialty classification, limits of liability or any other rating element.

EXPLANATORY NOTES:

V. Suspended Coverage Rules (Cont'd.)

- C.** If leave of absence is for one (1) year or longer
1. The policy should be canceled. Reinstatement will be subject to re-underwriting including the required purchase of a Reporting Endorsement at the time of cancellation.
- D.** If leave of absence is due to active military duty, the policy will be placed on suspended coverage for the length of service and the premium for the entire period will be waived.

VI. Locum Tenens (Additional Insured)

- A.** Locum Tenens Coverage is required when a physician is temporarily substituting for an ISMIE Mutual insured physician if the substituting physician either does not have professional liability insurance or has limited insurance that would not cover him/her for such substituting activities. A form AA-1075, Locum Tenens Application, must be submitted for review at least seven (7) business days prior to the physician's intended start date, and the application must be approved in writing by ISMIE Mutual prior to the first date of desired coverage. The substituting physician can be added for coverage as an "Additional Insured" under the ISMIE Mutual insured physician's policy by means of endorsement AE-1518, "Additional Insured - Locum Tenens Coverage Endorsement", the use of which is governed by the rules set forth below.
- B.** The premium shall be the rate applicable to the Locum Tenens' specialty designation and the ISMIE Mutual insured physician's territory, limits of liability and maturity year multiplied by the applicable percentage as specified below in the accompanying chart:

<u>NUMBER OF DAYS EXPECTED SUBSTITUTION</u>	<u>PERCENTAGE APPLIED TO THE QUARTERLY PREMIUM AMOUNT</u>
1 to 30 days	0%
31 to 60 days	35%
61 to 90 days	65%

NOTE: 30 days of Locum Tenens coverage at no charge is cumulative per policy period.

APPENDIX I

EXPLANATORY NOTES:

VI. Locum Tenens (Additional Insured) (Cont'd.)

C. The following rules are applicable to Locum Tenens coverage:

1. Locum Tenens coverage can only be provided for a maximum of 90 days per policy year.
2. The Locum Tenens may not be insured to substitute for more than one ISMIE Mutual insured physician during the same physical period of time.
3. Each ISMIE Mutual insured physician is required to pay the appropriate premium when adding a Locum Tenens to his/her policy, regardless of whether another ISMIE Mutual insured physician is being charged premium for covering the substitute services of the same Locum Tenens during a different physical time period.
4. There is no need to purchase a Reporting Endorsement upon discontinuation of Locum Tenens coverage. Coverage for future reported claims/suits continues to exist through the ISMIE Mutual insured physician's policy, subject to the purchase of a Reporting Endorsement by the NAMED INSURED upon policy termination.
5. If more than one Locum Tenens is applicable to the same ISMIE Mutual insured physician, a separate premium charge shall be made for each Locum Tenens.
6. If the period of coverage for the Locum Tenens is continuous and begins prior to renewal and extends through and beyond renewal, the premium charge shall be based on the rates in effect prior to said renewal.
7. If the period of coverage for the Locum Tenens is a discrete series of days which begins prior to and extends through and beyond renewal, a separate premium charge shall be made for:
 - a. the period prior to renewal; and,
 - b. the period on or after renewal.
8. The ISMIE Mutual insured physician's policy cannot be on suspended coverage during the Locum Tenens period.

EXPLANATORY NOTES:

VII. Loss-Free Discount

Existing policyholders may qualify for a discount in premium based on the following criteria:

- A.** The existing policyholder is eligible for the loss-free discount after being continuously insured for at least 3.5 years. (See chart below.)
- B.** The existing policyholder must have incurred no indemnity payments (i.e., no indemnity payment made) during the experience period.
- C.** Experience Periods and Applicable Discounts

<u>Years</u>	<u>Discount Applied 7/1/98 and After</u>
3	3%
4	6%
5	8%
6	10%
7	12%
8	17%
9	18%
10	19%
11+	19.5%

New business applicants may qualify for a loss-free discount except that the experience period will be measured annually from the applicant's retroactive date. Proof of loss-free must be submitted to ISMIE Mutual from the applicant's prior carrier(s).

Note: This will not apply to any new business effective July 1, 2003 and after.

- D.** Applies to all medical specialties except "Physician, Treating Patients in Free Medical Clinic."

APPENDIX I

EXPLANATORY NOTES:

VIII. Per-Patient Rating for Emergency Physicians

- A.** Groups of Emergency Physicians of two or more may qualify for per-patient rating.
- B.** Such rating shall only be available under the Physician Clinic Policy.
(See Appendix IV)

IX. Per-Patient Rating for Anesthesiologists

- A.** Groups of Anesthesiologists of two or more may qualify for per-patient rating.
- B.** Such rating shall only be available under the Physician Clinic Policy.
(See Appendix IV)

X. Surgicenter Rating

- A.** Surgicenters may qualify for the per-procedure rating.

XI. Urgent Care Rating

- A.** Urgent Care facilities may qualify for the per-procedure rating.

XII. Allied Health Personnel Employee Rate Schedule

The schedules on the following pages set forth the rates to be charged as "Additional Named Insureds" premium under the Standard Physician Professional Liability Claims-Made Insurance Plan for any physician or medical entity who employs Allied Health Personnel of the type identified therein. The appropriate per unit rate for each chargeable Allied Health Personnel, who will be listed via endorsement, will be made.

EXPLANATORY NOTES:

XIII. Risk Rewards Discount

Existing physician and allied health personnel insureds may qualify for a discount in premium based on the following criteria:

- A.** Completion of an ISMIE Mutual-sponsored risk management component (e.g., seminar, self-study program).
- B.** Achievement of a minimum passing score for each component taken.
- C.** An insured may earn and receive either:
 - 1. A maximum discount of 15% for 2 years by becoming a Managing Risk Premier Partner; or
 - 2. A maximum discount of 10% for 2 years by becoming a Managing Risk Fellow; or
 - 3. A maximum discount of 10% for 1 year by becoming a Managing Risk Partner.
- D.** Applies to all physician medical specialties, except “Physician, Treating Patients in Free Medical Clinic.”
- E.** Applies to all Allied Health Personnel for which a premium is charged.
- F.** Points earned during the following calendar years will be applied to the corresponding annual renewal period as indicated in the table below:

<u>Calendar Year</u>	<u>Renewal on or after</u>
2010	7/1/11
2011	7/1/12
2012	7/1/13
2013	7/1/14
2014	7/1/15
2015	7/1/16
2016	7/1/17
2017	7/1/18
2018	7/1/19
2019	7/1/20
2020	7/1/21

APPENDIX II

PROFESSIONAL ENTITY LIABILITY RULES AND RATES

A. ELIGIBILITY

To be eligible for ISMIE Mutual Professional Entity Professional Liability Insurance, a partnership, *sole shareholder medical corporation, or multi-shareholder medical corporation must conduct a medical business that is owned and operated by physicians for the purpose of providing patient services. Such services must be related to the physician owners medical practice specialty, or professional qualifications and be rendered by the physician owners, or other qualified physicians and/or allied health personnel employed by the physician owners in the name of the professional entity.

(*Insurance for sole shareholder professional entities where separate limits of liability are not desired is provided through the ISMIE Mutual Individual Physician Professional Liability Insurance Plan policy without additional premium charge.)

B. INSURABILITY

Determination of eligibility is made on the basis of a completed insurance application form entitled "Application for Medical Partnership/Corporation Professional Liability", form number BA-3000. If the medical business to be insured is otherwise eligible, it is mandatory that all physician partners, shareholders, officers, directors and employees of the partnership or medical corporation be individually insured with ISMIE Mutual for limits of liability at least equal to those desired by the partnership or medical corporation.

Exception: The requirements for individual insurance with ISMIE Mutual may be waived without affecting the professional entity's eligibility, under circumstances where a partner, shareholder, officer, director or employed physician has no need for or cannot obtain personal professional liability insurance with ISMIE Mutual (e.g., a retired physician, a physician on leave of absence, a physician not primarily practicing in the state identified in the mailing address on the Declarations page or the state of practice identified in the application for insurance, a physician declined for underwriting reasons, etc.). In such cases, the policy issued to the professional entity by ISMIE Mutual shall be endorsed to exclude liability arising out of the acts or omissions of any such uninsured physician. This is accomplished by means of attaching form BE-3506 "Acts or Omissions of Others" Exclusion Endorsement.

APPENDIX II

C. RATING

Professional Entities qualifying under the above rules shall be issued a Professional Entity Professional Liability Plan Policy, form AP-1300, subject to the following standard premium charges:

1. The sum of 25% of the premium that would be charged for each partner's, officer's, director's, shareholder's, employee's or independent contractor's individual policy premium at the limits of liability desired by the partnership or corporation (without regard to any surcharge), subject to:
 - a. a maximum of 25% of the sum of the five highest rated physician partner's, officer's, director's, shareholder's, employee's or independent contractor's individual policy premium as calculated above
 - b. a minimum of \$400 per year

plus
2. The appropriate per person rate for each allied health personnel employee whose rate appears on the rate schedule in **Appendix I**; plus,
3. Any established surcharge/debit.
4. Upon cancellation or non-renewal of a Professional Entity policy (Form No. AP-1300), a Reporting Endorsement may be purchased. The Reporting Endorsement premium shall be the sum of 25% of the premium that would be charged for each partner's, officer's, director's, shareholder's, employee's or independent contractor's individual Reporting Endorsement (as described in General Rules, Section VIII, "Cancellation/Non-Renewal", subparagraph C-3) at the coverage level desired by the partnership or medical corporation. A Professional Entity Reporting Endorsement premium is not subject to any minimum or maximum.

The standard premium charges do not apply to the following types of medical business which must be submitted for rating:

Abortion clinics, Multi-phasic Diagnostic Centers, Surgi Centers (Ambulatory Care Centers), Weight Control Clinics, 24 hour Emergi Centers and any other medical business with unique or unusual exposure conditions not governed or contemplated by the rules and standard premium charges contained herein.

APPENDIX III

RISK CHARACTERISTIC SURCHARGE PLAN

- A.** The Risk Characteristic surcharge plan is a fundamental element in the ISMIE Mutual Professional Liability Program. It establishes a review format for professional risk evaluation of physicians, by physicians, and provides an effective risk control mechanism for mitigating potential loss exposures. The objective of the Surcharge Plan is to encourage insured physicians to maintain high professional standards, thereby ensuring quality patient care and the stability of this professional liability program.
- B.** The following characteristics shall be considered in determining individual risk surcharges and physician group debits (i.e., percentage increase of standard premium) under the ISMIE Mutual Professional Liability Program:

<u>CHARACTERISTICS</u>	<u>TIER EVALUATION</u>
1. Any one claim (open or closed) found to involve questionable judgment or procedure as determined by the Physician Review and Evaluation Panel ("PREP").	Tier 1
2. Any one claim (open or closed) involving significant questionable judgment or procedure; or practice in an area significantly beyond training or competency; or any two claims (open or closed) involving questionable judgment or procedure as determined by the Physician Review and Evaluation Panel ("PREP").	Tier 2
3. Any one claim (open or closed) involving negligence; or three or more cases (open or closed) involving questionable judgment or procedure; two or more cases (open or closed) involving significant questionable judgment or procedure; or a combination of these characteristics regardless of disposition as determined by the Physician Review and Evaluation Panel ("PREP"); or claim frequency as determined by specialty; or any other adverse underwriting characteristics such as, but not limited to, hospital staff privileges subject to disciplinary action, Licensing Board disciplinary action, etc.	Tier 3

APPENDIX III

4. A pattern of claims reflecting inappropriate medical care; including practicing outside of one's specialty; excessive patient volume or other practice patterns which compromise quality of care; or a pattern of cases reflecting a significant breach in the standard of care regardless of ultimate disposition as determined by the Physician Review and Evaluation Panel ("PREP") or any other adverse risk characteristics as determined by PREP which represents a significant exposure, combined with claim frequency as determined by specialty, and a loss ratio of 120% or greater.	Tier 4
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- C.** The following table converts the Tier Evaluation to the surcharge percent that is to be applied to the insured's standard premium, determined in accordance with the rating rules of this manual. The percentage (%) is always applied to the insured's annual base premium. Part-time rating, suspended coverage, the newly practicing physician discount, or subsequent procedure reduction shall not operate to decrease the amount of the surcharge otherwise due.

	<u>TIER EVALUATION</u>			
TIER:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
PERCENTAGE (%):	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100-200%</u>

- D.** The following debits may be applied to a physician group:

A Schedule Rating Debit (up to a maximum of 25%) may be applied according to the following schedule:

	<u>DEBIT UP TO</u>
Loss Experience	25%
Professional Skill and Competency	10%
Organizational Structure and Size	10%
Patient Rapport	10%
Classification Anomalies	3%
Claim Anomalies	3%

APPENDIX III

E. The following rules govern the application and duration of surcharges, physician group debits and policy exclusions established through the Surcharge Plan:

1. A surcharge or debit may be applied at the inception of the policy or at any subsequent policy renewal thereafter.
2. Ultimate disposition of a previously evaluated "open" claim shall not affect the originally assessed surcharge/debit.
3. In determining the appropriate percentage to assess within the Tier 4 surcharge range, PREP shall consider the severity of the insured's loss ratio. The minimum shall be assessed for a loss ratio of 120-200%, the mid for a loss ratio between 200-300%, and the maximum for a loss ratio greater than 300%.
4. Surcharges shall remain in effect in accordance with the following table:

<u>SURCHARGE %</u>	<u>DURATION</u>
25%	12 Months
50%	24 Months
75%	24 Months minimum, subject to reevaluation by "PREP" at the expiration of 24 months.
100-200%	24 Months minimum, subject to re-evaluation by "PREP" at the expiration of 12 months.

5. Debits shall remain in effect for a minimum of two years and may be reconsidered in accordance with the provisions outlined in subparagraph E-6.
6. Imposition of surcharges, physician group debits and other indicated actions may be accomplished by the Physician Review and Evaluation Panel ("PREP") which serves as consultant to the Underwriting Division. Surcharges, debits and other indicated actions may only be reconsidered bi-annually by the originating source or may be reviewed by "PREP" in accordance with the following note below, providing the applicant or insured requests such reconsideration or review in writing within six months following notification by the Company.

NOTE: The insured is obliged to make payment of the surcharge or debit during the pendency of the reconsideration or review process. If the surcharge/debit is eliminated or reduced, the decision shall be applied retroactive to the original effective date.

APPENDIX III

7. The imposition of a surcharge/debit disqualifies insureds from receiving any discount offered to participants of a group program (e.g., IPA, network, or purchasing group).
8. A medical procedure exclusion, practice activity exclusion, and/or a curtailment of policy limits of liability may be imposed at the inception of the policy or any policy renewal thereafter. Any of these actions qualifies for review by the "PREP" Committee, provided the insured requests such reconsideration in writing within six months following notification by the Company.

NOTE: These kinds of coverage restrictions are generally intended to apply for an indefinite period. However, in the case of a medical procedure exclusion, after the exclusion has been in effect for a minimum of six (6) months, the insured may request consideration for removal of the exclusion upon furnishing satisfactory evidence of retraining or other appropriate medical testimony. Such a request may only be made once in any twelve (12) month period.

- F. At its discretion, PREP may recommend any ISMIE Mutual Risk Management or continuing Medical Education activity in addition to a surcharge/debit and/or medical procedure exclusion.

GENERAL STATEMENT

The provisions of this plan affect the underwriting treatment of both new applicants and existing policyholders. In the case of a new applicant who has been declined by either the Underwriting Division or "PREP", depending on the reason(s) for declination, the opportunity may be extended to the applicant to meet personally with "PREP" in order to review the declination decision. "PREP" may overturn, or otherwise modify an Underwriting Division decision but only in accordance with the procedure outlined in the PREP Committee Administrative Rules.

Any existing policyholder subject to policy cancellation or non-renewal may, depending on the reason(s) for policy cancellation or non-renewal and upon timely request, be granted the opportunity to request an appeal. Such request for appeal shall be heard by a Committee appointed by ISMIE Mutual's Board of Directors. The outcome of this review shall be binding on both the policyholder and ISMIE Mutual.

APPENDIX IV

I. PHYSICIAN CLINIC

A. The qualifications for coverage under the policy (Form No. AP-1300) are as follows:

1. The physician clinic must consist of two (2) or more physicians:
 - a. who are permanently licensed in Illinois; and,
 - b. whose medical practice is performed primarily in the State of Illinois for or on behalf of the NAMED INSURED physician clinic.
2. The physician clinic must be one of the following; i.e., a partnership, medical corporation, limited liability company, limited partnership, joint venture, association or other legal entity. All partners, officers, directors, shareholders, employees, members or potential ADDITIONAL NAMED INSUREDS of the physician clinic must be Doctors of Medicine or Doctors of Osteopathy.
3. The physician clinic must consist of a primary location domiciled in the State of Illinois:
 - a. where professional services are rendered to patients; and,
 - b. where administrative functions are undertaken (appointments, billing, patient records, etc.)

Satellites or branch facilities are acceptable to the extent they are both financially and medically controlled by the primary location and are practicing as a part thereof.
4. The physician clinic must hold itself out to be a clinic engaged in the delivery of professional services to patients. Consideration for coverage will be given to the following characteristics:
 - a. length of time entity has operated as a physician clinic;
 - b. degree of medical specialization;
 - c. stability of members and locations;
 - d. reputation and standing within community served;
 - e. hospital where physicians have admitting privileges;

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

A. (Cont'd.)

4. (Cont'd.)
 - f. degree of patient sharing;
 - g. profit sharing and other defined benefits available;
 - h. how entity holds itself out to the public; i.e., promotional materials, advertising, sign on the door, etc.;
 - i. minimal use of independent contractors.
5. Insurance for a physician clinic shall be provided through the issuance of the policy (Form No. AP-1300).
6. Physicians who are partners, officers, directors, shareholders or employees of the physician clinic shall be insured by including such physicians as ADDITIONAL NAMED INSUREDS under the policy by endorsement.

B. The limits of liability available for a physician clinic are as follows:

1. The "Each Person" limit may be obtained only in the amount of \$1,000,000 or \$2,000,000 and a corresponding annual aggregate of \$3,000,000 or \$4,000,000 applied to each individual physician member and entity or the aggregate limit may be shared, the amount being determined by the number of exposures in the group as follows:

# of Exposures	Aggregate Applicable to "Each Person" Limit	
	\$1M	\$2M
2	5M	6M
3	8M	10M
4	10M	12M
5	15M	16M
6	16M	18M
7	18M	22M
8	20M	24M
9	22M	28M
10 - 19	25M	30M
20 - 39	40M	45M
40 - 59	55M	60M
60 - 79	70M	75M
80 - 99 ¹	85M	90M

¹For each additional 20 exposures, increase the aggregate by \$15M.

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

B. (Cont'd.)

2.

C. The premium shall be the sum of:

1. the rate applicable to each ADDITIONAL NAMED INSURED'S specialty, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**;
2. plus, the rate applicable to the clinic entity noted in **Appendix II**;
3. plus, the appropriate per person rate for each Allied Health Personnel whose rate appears on the rate schedule in **Appendix I**;
4. minus, any loss-free discount applicable to any ADDITIONAL NAMED INSURED;
5. minus, any risk rewards discount applicable to any ADDITIONAL NAMED INSURED;
6. plus or minus, any applicable debit or credit as specified in paragraph D;
7. plus, any established surcharge.

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

D. The following credits/debits are available to the physician clinic:

	debit	credit
1. Loss Experience Calculation	25%	-25%
Schedule Rating	25%	-25%
Maximum combined Loss Experience Calculation and Schedule Rating: +/-50.0%		

NOTE: Any established debit must be imposed for a minimum of two years.

2. The combination of schedule rating and loss-free discount may not exceed a 69.5% credit.

3. **Application of Loss Experience Calculation:**

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least four years of practice experience.

Formula: $((\text{Actual Loss} * \text{Credibility}) / \text{Expected Losses}) + (1 - \text{Credibility})$.

Maximum debit/credit for Loss Experience Calculation will be +/-25%.

4. **Application of Schedule Rating:**

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least one year of practice experience.

Maximum debit/credit for Schedule Rating will be +/-25%.

5. **Schedule Rating Components:**

	debit	credit
I. Professional Skill and Competency: maximum debit/credit of combined items a through i	10%	-10%
a. Demonstrated effectiveness of group's hiring and on-going credentialing process for new and existing staff, including both physicians and non-physicians.	5%	-5%
b. Board certification for physicians/other certification for non-physicians: percentage of group.	5%	-5%
c. Group is accredited by a recognized body.	0%	-5%
d. Treatment of patients is limited to qualified individuals (both physician and non-physician).	3%	-3%
e. Delegation of medical treatment to non-physicians is reasonable, monitored and included in the group's practice protocols.	2%	-2%
f. Continuing professional education is expected and compliance is monitored.	5%	-5%
g. Hospital affiliations are geographically proximate and reflect professional competency of the group.	2%	-2%
h. Demonstrated ability to treat the variability of the patient population within the patient's service area.	3%	-3%
i. Appropriate utilization of group's equipment, including all necessary procedures and diagnostic tests.	2%	-2%

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

II. Organizational Structure and Size: maximum debit/credit of combined items a through e.	10%	-10%
a. Group delivers quality care in the context of the group's economy of scale.	3%	-3%
b. Existence of a Quality Review Committee which considers outcomes of patient treatment, as well as unexpected results and integrates solutions into the group's practice protocols.	5%	-5%
c. Existence of a committee which reviews medical utilization, existing and anticipated treatment protocols and clinical guidelines and enforces compliance within the group.	5%	-5%
d. Ongoing process, with adequate resources, for the care and maintenance of premises and equipment.	2%	-2%
e. Established budgetary process for the expected replacement of premises and equipment.	2%	-2%
III. Patient Rapport: maximum debit/credit of combined Items a through h.	10%	-10%
a. Tenure of professional activities by physicians and non-physicians: both professionally and within the group.	5%	-5%
b. Group's reputation within the community and service area.	3%	-3%
c. Office hours and availability of physicians and non-physicians at other times and weekends.	2%	-2%
d. Patient surveys: performed and results integrated into the group's practice protocols.	3%	-3%
e. Patient complaints: accepted, analyzed and results integrated into the group's practice protocols.	3%	-3%
f. Degree to which hospitalists and/or laborists are utilized for the group's patients.	2%	-2%
g. Patient volume is reasonable in context of group size, geography and patient mix.	5%	-5%
h. Reimbursement mix: Medicare, Medicaid, private insurance company, HMO.	3%	-3%
IV. Full-Time Dedicated Risk Manager	0%	-5%
V. Classification Anomalies		
a. Differentiation of the insured from other members of the same class and type of risk, which is expected to impact future loss experience.	3%	-3%
VI. Claim Anomalies		
a. Any economic, societal, jurisdictional changes which impact the frequency and/or severity of losses. Any circumstances which either overstate or understate the ultimate severity in losses.	3%	-3%

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

- E.** Upon cancellation or non-renewal of the policy (Form No. AP-1300), a Reporting Endorsement may be purchased. The Reporting Endorsement premium shall be the sum of premium that would have been charged for each ADDITIONAL NAMED INSURED'S Reporting Endorsement (as described in **General Rules**, Section VIII "Cancellation/Non-Renewal", subparagraphs C-1, C-2 and C-3) at the limits of liability desired by the physician clinic.
- F.** In the event of severance of the relationship between an ADDITIONAL NAMED INSURED physician and the NAMED INSURED physician clinic (both insured on Form No. AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician, either party may purchase a Reporting Endorsement on behalf of the physician. Such Reporting Endorsement premium shall be calculated as described in **General Rules**, Section VIII, "Cancellation/Non-Renewal", subparagraphs C-1, C-2 and C-3 at the limits of liability desired by the requesting party.

Under these circumstances of severance between the parties, the ADDITIONAL NAMED INSURED shall be deleted by endorsement from the policy. A separate policy (Form No. AP-1300) shall be issued to the physician and the Reporting Endorsement for said physician shall be attached to this policy.
- G.** With respect to Reporting Endorsements discussed in paragraphs E and F, no credits and/or debits as described in paragraph D shall be included in the premium calculation.
- H.** In the event a physician clinic falls below the minimum number of required physicians; i.e., less than two (2), the physician clinic shall have six (6) months in which to correct such deficiency. Failure to correct such deficiency within six months shall be grounds for reverting the physician clinic to a non-clinic policy format.

II. FULL TIME EQUIVALENT RATING (FTE)

- A.** A FTE rating policy is only available to single specialty clinics or groups, or attached by way of endorsement to any type of policy.
- B.** A FTE rating is based on a certain identifiable pricing mechanism (i.e., "per-patient" encounters, "per procedure", "total revenues" or "total hours") in which to assess a premium charge to an entity.
- C.** FTE premium is based on the full-time mature rate of the specialty presented.

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

D. FTE premium is **not** subject to a premium reduction because of:

1. Suspended Coverage
2. Newly Practicing Physician Discount
3. Part-Time Rating

However, the Risk Rewards discount does apply.

E. The limit of liability applied to a FTE policy is as follows:

1. If the entire group is rated on a FTE basis (i.e., ER Group) each physician has a separate "each person" limit.
2. If a FTE rider is attached to a standard policy, then all participants share in the "each person" limit of liability.

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION

A. The qualifications for coverage under the Physician Group Rating Deviation shall be as follows:

1. The physician group must consist of two (2) or more physicians:
 - a. who are permanently licensed in Illinois; and
 - b. whose medical practice is performed primarily in the State of Illinois for or on behalf of the physician group
2. The physician group may be one of the following:
 - a. a physician with an employed physician(s) and/or a contracting physician(s); or
 - b. a partnership, corporation, limited partnership, joint venture, association, purchasing group, limited liability company, or other legal entity. All partners, officers, directors, shareholders, employees, members or individuals must be Doctors of Medicine or Doctors of Osteopathy.
3. The physician group must consist of a primary location domiciled in the State of Illinois:
 - a. where professional services are rendered to patients; and
 - b. where administrative functions for or on behalf of the physician group are undertaken
4. Insurance for a physician group shall be provided as follows:
 - a. Each physician must be insured through issuance of the policy (Form No. AP-1300); and
 - b. The entity, as described in subparagraph A-2b of this section, must also be insured through issuance of the policy (Form No. AP-1300).

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION (Cont'd.)

B. The limits of liability available to both the individual physician and the entity are either \$1,000,000/\$3,000,000 or \$2,000,000/\$4,000,000. All partners, officers, directors, shareholders, employees or members of the physician group must carry limits of liability at least equal to that of the entity described in subparagraphs A-2 and A-4-b.

C. The premium shall be the sum of:

1. the rate applicable to each physician's territory, specialty, limits of liability and maturity year which appears on the rate schedule in **Appendix I**;
2. plus, the rate applicable to the entity noted in **Appendix II**;
3. plus, the appropriate per person rate for each Allied Health Personnel whose rate appears on the rate schedule in **Appendix I**;
4. minus, any loss-free discount;
5. minus, any risk rewards discount;
6. plus or minus, any applicable debit or credit specified in paragraph D;
7. plus, any established surcharge.

D. The following credits/debits are available to the physician group:

	debit	credit
1. Loss Experience Calculation	25%	-25%
Schedule Rating	25%	-25%
Maximum combined Loss Experience Calculation and Schedule Rating: +/-50.0%		

NOTE: Any established debit must be imposed for a minimum of two years.

2. The combination of loss experience calculation, schedule rating and loss-free discount may not exceed a 69.5% credit.
3. **Application of Loss Experience Calculation:**
Will be applied only to group business; group must consist of two or more physicians.
Will be applied to both existing ISMIE Mutual and new business with at least four years of practice experience.
Formula: $((\text{Actual Loss} * \text{Credibility}) / \text{Expected Losses}) + (1 - \text{Credibility})$.
Maximum debit/credit for Loss Experience Calculation will be +/-25%.

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION (Cont'd.)

D. (Cont'd.)

4. **Application of Schedule Rating:**
 Will be applied only to group business; group must consist of two or more physicians.
 Will be applied to both existing ISMIE Mutual and new business with at least one year of practice experience.
 Maximum debit/credit for Schedule Rating will be +/-25%.

5. Schedule Rating Components:	debit	credit
I. Professional Skill and Competency: maximum debit/credit of combined items a through i	10%	-10%
a. Demonstrated effectiveness of group's hiring and ongoing credentialing process for new and existing staff, including both physicians and non-physicians.	5%	-5%
b. Board certification for physicians/other certification for non-physicians: percentage of group.	5%	-5%
c. Group is accredited by a recognized body.	0%	-5%
d. Treatment of patients is limited to qualified individuals (both physician and non-physician).	3%	-3%
e. Delegation of medical treatment to non-physicians is reasonable, monitored and included in the group's practice protocols.	2%	-2%
f. Continuing professional education is expected and compliance is monitored.	5%	-5%
g. Hospital affiliations are geographically proximate and reflect professional competency of the group.	2%	-2%
h. Demonstrated ability to treat the variability of the patient population within the patient's service area.	3%	-3%
i. Appropriate utilization of group's equipment, including all necessary procedures and diagnostic tests.	2%	-2%
II. Organizational Structure and Size: maximum debit/credit of combined items a through e.	10%	-10%
a. Group delivers quality care in the context of the group's economy of scale.	3%	-3%
b. Existence of a Quality Review Committee which considers outcomes of patient treatment, as well as unexpected results, and integrates solutions into the group's practice protocols.	5%	-5%
c. Existence of a committee which reviews medical utilization, existing and anticipated treatment protocols and clinical guidelines and enforces compliance within the group.	5%	-5%
d. Ongoing process, with adequate resources, for the care and maintenance of premises and equipment.	2%	-2%
e. Established budgetary process for the expected replacement of premises and equipment.	2%	-2%

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION (Cont'd.)

D. (Cont'd).	debit	credit
III. Patient Rapport: maximum debit/credit of combined Items a through h.	10%	-10%
a. Tenure of professional activities by physicians and non-physicians: both professionally and within the group.	5%	-5%
b. Group's reputation within the community and service area.	3%	-3%
c. Office hours and availability of physicians and non-physicians at other times and weekends.	2%	-2%
d. Patient surveys: performed and results integrated into the group's practice protocols.	3%	-3%
e. Patient complaints: accepted, analyzed and results integrated into the group's practice protocols.	3%	-3%
f. Degree to which hospitalists and/or laborists are utilized for the group's patients.	2%	-2%
g. Patient volume is reasonable in context of group size, geography and patient mix.	5%	-5%
h. Reimbursement mix: Medicare, Medicaid, private insurance company, HMO.	3%	-3%
IV. Full-Time Dedicated Risk Manager	0%	-5%
V. Classification Anomalies		
a. Differentiation of the insured from other members of the same class and type of risk, which is expected to impact future loss experience.	3%	-3%
VI. Claim Anomalies		
a. Any economic, societal, jurisdictional changes which impact the frequency and/or severity of losses. Any circumstances which either overstate or understate the ultimate severity in losses.	3%	-3%

APPENDIX V

I. PHYSICIAN GROUP RATING DEVIATION (Cont'd.)

E. Upon cancellation or non-renewal of either:

- 1) an individual physician member's policy; or
 - 2) the entity's policy, a Reporting Endorsement may be purchased.
1. In the case of an individual physician, the premium for the Reporting Endorsement shall be calculated as described in **General Rules**, Section VIII, "Cancellation/Non-Renewal", subparagraphs C-1, C-2 and C-3.
 2. In the case of the entity, as described in subparagraph A-2 of this section, the premium for the Reporting Endorsement shall be calculated as the sum of 21% of the premium that would have been charged each partner's officer's, director's, shareholder's, employee's, or member's individual Reporting Endorsement (as described in **General Rules**, Section VIII, "Cancellation/Non-Renewal", subparagraphs C-1, C-2 and C-3) at the limits of liability desired by the entity. Such premium is not subject to any minimum or maximum.
 3. With respect to Reporting Endorsements discussed in subparagraphs E-1 and E-2, no credits and/or debits as described in paragraph D-1 shall be included in the premium calculation.

F. In the event a physician group falls below the minimum number of required physicians; i.e., less than two (2), the physician group shall have six (6) months in which to correct such deficiency. Failure to correct such deficiency within six (6) months shall be grounds for eliminating the applicability of all credits or debits described in paragraph D of this section.



Via SERFF

September 19, 2011

Mr. Jack Messmore, Acting Director
Illinois Department of Insurance
Property and Casualty Compliance Section
320 West Washington Street
Springfield, IL 62767-0001

Re: ISMIE Mutual Insurance Company
Rate and Rule Filing Effective October 1, 2011

Dear Acting Director Messmore:

This constitutes a filing of professional liability insurance rules and rates made on behalf of the ISMIE Mutual Insurance Company in accordance with the requirements of Section 155.18 of the Illinois Insurance Code.

The following pages of the Manual of Rules and Rates have been revised as indicated below. They are being submitted for your review and approval for use by ISMIE Mutual in Illinois effective October 1, 2011.

Table of Contents

The table has been updated to reflect current page numbers.

General Rules

Pages 1, 5, 10 and 11....Reference to “allied health personnel (separate limits)” has been added for clarification purposes under items A., C. and 7., respectively.

Page 4.....Under the Minimum Premium Rule, 27.5% has been changed to 20%.

Pages 21 to 24.....The list of Endorsements and Forms has been updated.

Appendix I

- Pages 1 to 36....The Rate chart has been updated to include a new specialty code for Dermatology with Tumescant Liposuction (class 4). Territory 2E has been discontinued, moving Rock Island County back to Territory 2C (as determined by our reinsurers).
- Page 1..... Two notes have been added to clarify that the mature factor applies to AHP's premium and tail.
- Page 2..... The territory definitions have been updated under item I.
- Page 21..... The risk rewards discount available to policyholders has been updated under Item C.
- Pages 1 to 6..... The AHP Rate chart has been updated to reflect the discontinuation of Territory 2E.

Appendix II

- Page 1..... "State of Illinois" has been replaced by "state identified in the mailing address..." under item B.

Appendix III

- Page 2..... The schedule rating debit that may be applied to a group by PREP has been updated under item D.

Appendix IV

- Page 4..... The years of practice experience have been changed to 4 for loss experience and to 1 for schedule rating under items 3. and 4.

Appendix V

- Pages 2 and 3... The years of practice experience have been changed to 4 for loss experience and to 1 for schedule rating under items D. 3. and 4.

* * * * *

Mr. Jack Messmore, Acting Director
September 19, 2011
Page 3

Please contact Alan Allphin, Vice President, Underwriting at (312) 580-2432 or at alanallphin@ismie.com if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John Washburn". The signature is fluid and cursive, with the first name "John" written in a more compact, stylized manner and the last name "Washburn" written in a more extended, flowing script.

John Washburn
Senior Vice President

cc: Alexander R. Lerner
Jeffrey M. Holden
Richard King
Cheryl Koos
Alan Allphin

Attachments

**MANUAL OF
RULES AND RATES**

OCTOBER 1, 2011

**ISMIE MUTUAL INSURANCE COMPANY
MEDICAL PROFESSIONAL LIABILITY
CLAIMS MADE INSURANCE PLAN**

**ILLINOIS MANUAL OF RULES & RATES
(Effective October 1, 2011)**

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ILLINOIS MANUAL OF RULES & RATES

(Effective October 1, 2011)




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GENERAL RULES

**ISMIE MUTUAL INSURANCE COMPANY
MEDICAL PROFESSIONAL LIABILITY
CLAIMS MADE INSURANCE PLAN**

**GENERAL RULES
(Effective October 1, 2011)**

I. GENERAL INSTRUCTIONS

This manual contains the rules and rates governing the underwriting of Physician, Professional Entity and Physician Clinic Professional Liability insurance written on a claims-made policy form.

Additional exposure risks, for which coverage is provided on or after the effective dates of any changes in this manual, either by endorsement of outstanding policies or by the issuance of separate policies, shall be written on the basis of the rates and rules in effect at the time the coverage is provided.

The following requirements shall be observed in the preparation of policies for insurance covered by this manual:

- A.** On policies issued to individual physicians or allied health personnel (separate limits), the NAMED INSURED shall be identified in the Declarations page by name and rating medical specialty.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a covered sole shareholder medical corporation) or by number (in the case of designated Allied Health Personnel employees).

- B.** On policies issued to professional entities whose qualification for said policy is established in **Appendix II**, the NAMED INSURED shall be identified on the Declarations page by its legal name.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a legal entity), or by number (in the case of designated Allied Health Personnel employees).

- C.** On policies issued to physician clinics (whose qualification for said policy is established in **Appendix IV**), the NAMED INSURED shall be identified on the Declarations page by its legal name.

I. GENERAL INSTRUCTIONS (Cont'd.)

C. (Cont'd.)

ADDITIONAL NAMED INSUREDS (who may be Doctors of Medicine, Doctors of Osteopathy or additional legal entity(ies)) shall be designated by the endorsement attached to the policy.

Additional insureds shall be identified on attaching endorsements either by name (in the case of a legal entity), or by number (in the case of designated Allied Health Personnel employees).

- D.** When applicable, policies shall be endorsed to acknowledge any reported exceptions to the representations and warranties stipulated on the Declarations page.

Once a policy has been issued, any material changes thereto shall be accomplished by means of endorsement(s).

II. POLICY PERIOD

- A.** Policies are written for the period of time commencing with the policy effective date specified on the Declarations page and may be continued for successive calendar quarters upon payment of premium but expires upon cancellation, non-renewal, renewal by ISMIE Mutual or failure to renew by the NAMED INSURED.
- B.** Policies are generally written for a twelve (12) month period beginning on the policy effective date. At the NAMED INSURED's request, a policy may be written for a twenty-four (24) or thirty-six (36) month period.
- C.** For any policy written on a twenty-four (24) or thirty-six (36) month basis, the aggregate limit of liability (as described in Section VI, "Limits of Liability"), shall apply to each twelve (12) month period beginning with the policy effective date.
- D.** Any policy written for a twelve (12) month period may, upon the NAMED INSURED's request and approval by ISMIE Mutual be extended up to a maximum of ninety (90) additional days. The aggregate limit of liability (as described in Section VI, "Limits of Liability"), shall apply to the sum of the twelve (12) months plus any additional days.

III. SCOPE OF COVERAGE

For details of coverage and exclusions, refer to standard policy.

IV. PERSONS INSURED

For persons insured, refer to standard policy.

V. GENERAL DEFINITIONS

For general definitions, refer to standard policy.

VI. LIMITS OF LIABILITY

Manual rates and minimum premiums are calculated to provide optional basic or excess limits of either \$500,000, \$1,000,000, or \$2,000,000 "each person" and, subject to the foregoing choice of basic or excess limits, a corresponding annual aggregate of \$1,500,000, \$3,000,000 and \$4,000,000 respectively. These limits options apply only to the Physician and Professional Entities policies. **Appendix IV** describes limits options available to the Physician Clinic policy.

Except for limited circumstances in the Physician Clinic policy, the inclusion of more than one insured under a policy shall not operate to increase the limits of ISMIE Mutual's liability.

Except with respect to physicians in solo practice and moonlighting residents, all physicians insured under this plan must carry limits of liability at least equal to the limits of liability carried by any employer whether such employer is:

- 1) a physician
- 2) a professional entity, or
- 3) a physician clinic

VII. RATES AND PREMIUM CALCULATION

A. RATES. Annual and Reporting Endorsement premiums applicable to individual physicians for each specialty, territory, limit of liability and maturity year appear on the rate schedule at the beginning of **Appendix I**.

Premiums and rate categories for Allied Health Personnel (who may be either additional named insureds or additional insureds on the standard policy) appear on the rate schedule at the end of **Appendix I**.

B. (a) RATED RISKS. Every risk described in the "Annual Seventh Year Claims-Made Premium Rates" (**Appendix I**) for which the symbol **(a)** appears in lieu of a specific rating designation and any other risk, risk procedure or technique not otherwise identified or defined in the appendices forming a part of this manual, shall be submitted to ISMIE Mutual for rating.

VII. RATES AND PREMIUM CALCULATION (Cont'd.)

- C. CALCULATION OF PREMIUM.** The premium shall be determined on the basis of the units of exposure existing at policy inception and shall be calculated in accordance with the applicable rates, and rating plans contained or referenced in this manual. The developed premium is billed on a quarterly basis and shall be rounded to the nearest whole dollar. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. Interim premium adjustments including endorsements shall be calculated pro rata.
- D. MINIMUM PREMIUM RULE.** Subject to the Calculation of Premium procedures described above:
1. No Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) may be issued under this plan for a premium charge of less than the equivalent of 20% of the lowest offered specialty rating currently in effect in the insured physician's applicable rating territory and maturity year for liability limits of \$500,000/\$1,500,000.
 2. No Professional Entity Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) may be issued for less than a premium charge of \$400 per year.
- E. SURCHARGE PLANS.** The standard premiums in this manual are subject to a percentage increase based on defined risk characteristics and rules of applicability contained in the Surcharge Plan (**Appendix III**). A surcharge may be modified in accordance with the rules of the Surcharge Plan.
- F. MATURITY YEAR.** Each policyholder (whether a(n) individual physician, professional entity or physician clinic) shall, each policy period, have a designated maturity year. The measurement of the maturity year begins on the policyholder's RETROACTIVE DATE and advances each subsequent year thereafter until maturity is achieved.

Note: The policyholder's selected RETROACTIVE DATE cannot be changed after the policy is issued.

VIII. CANCELLATION / NON-RENEWAL

- A. BY ISMIE MUTUAL.** The earned premium shall be determined on a pro rata basis by multiplying the number of units of exposure for the period the policy was in force by the applicable rates.
- B. BY THE NAMED INSURED.** The earned premium shall be determined as the difference between written and return premium. Return premium will be calculated at 90% of pro rata. The earned premium so calculated shall also be subject to the Minimum Premium Rule. If cancellation is due to death, retirement or disabling illness, the earned premium shall be calculated on a pro rata basis.
- C. REPORTING ENDORSEMENT.** The rate schedule at the beginning of **Appendix I** contains the factors to be applied to the annual expiring premium for the purchase of a Reporting Endorsement. The purchase of said endorsement is applicable in the following circumstances:
- Upon policy termination of an individual physician or allied health personnel with separate limits insured on Form No. AP-1300
 - Upon policy termination of a professional entity, or limited liability company insured on Form No. AP-1300
 - Upon policy termination of a physician clinic insured on Form No. AP-1300, and
 - Upon severance of the relationship between an ADDITIONAL NAMED INSURED physician and the physician clinic (both insured on Form No. AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician. Either the NAMED INSURED or the ADDITIONAL NAMED INSURED physician may purchase a Reporting Endorsement on behalf of the ADDITIONAL NAMED INSURED physician.

The purchase of a Reporting Endorsement is subject to the terms and conditions specified in the standard policy.

1. The Reporting Endorsement premium for an individual physician or allied health personnel with separate limits (Form No. AP-1300) is subject to the NAMED INSURED's specialty, territory and limits of liability in effect as of the policy termination date. Notwithstanding the provisions of Section XII, "Supplementary Rules", Paragraph A-5, "Changes in Limits of Liability-Six Month Advance Notice", the NAMED INSURED may lower the limits of liability one day prior to the policy termination date.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

INDIVIDUAL

Manual Rate (7th Year Rate based upon limits, territory and specialty)

X Maturity Year Factor

= **Annual Base Premium**

X Part Time Factor,

or

X Newly Practicing Physician Discount Factor,

(use whichever applicable factor above would provide the highest discount)

= **Annual Adjusted Base Premium**

- Loss Free Discount (Loss Free Discount Factor x Annual Adjusted Base Premium)
 - Risk Rewards Discount (Risk Rewards Discount Factor x Annual Adjusted Base Premium)
-

= **Annual Discounted Premium (net of loss free and risk rewards discounts)**

X Tail Factor ∇

= **Reporting Endorsement Premium**

<u>∇Year</u>	<u>Factor</u>
1	3.306
2	3.153
3	2.401
4	2.178
5	2.196
6	2.183
7	2.180

For individuals rated on a non-standard basis (88046), the Group Discount (in dollars, if any) must be added back and the tail factor then applied.

If the individual is on suspended coverage at date of policy cancellation, calculation must revert to rating factors in effect before suspended coverage is in effect.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

2. The Reporting Endorsement premium as calculated may be paid all at once, or, it may be paid in annual installments over a three-year period calculated as follows:
 - a. Calculate the total cost of the Reporting Endorsement as above using the rates in effect as of the policy expiration date
 - b. Calculate the service charge. Such service charge shall be 6% of the total cost of the Reporting Endorsement and shall be payable in full in conjunction with the first installment and is not refundable
 - c. Calculate the installment amounts:
 - (1) **First Installment** - 50% of the total cost as determined in one (1) above
 - (2) **Second Installment** - 30% of the total cost as determined in one (1) above
 - (3) **Third Installment** - 20% of the total cost as determined in one (1) above;
 - d. The named insured's election to purchase the Reporting Endorsement on installments is irrevocable upon receipt by ISMIE Mutual of both the premium for the first installment and the service charge.
 - e. In the event of a physician's death subsequent to the cancellation date of the policy but prior to receipt of all installment payments, any remaining installment payments will be waived.
3. To determine the Reporting Endorsement premium for a professional entity (Form No. AP-1300), the individual physician premiums that have a premium bearing relationship to the professional entity are used. The premium is computed as follows:

For professional entities with four or less physician affiliates with premium bearing relationships: Using the individual physician rating method, multiply the annual adjusted base premium of each individual physician by a factor of .25 (25%). Then add these amounts together to determine an annual premium.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

For professional entities with five or more physician affiliates with premium bearing relationships: Determine the five highest rated physicians based upon their annual adjusted base premiums. Add these annual adjusted base premiums together and divide by 5.

= Annual Base Premium

X Tail Factor \overline{X}

= Reporting Endorsement Premium

\overline{X} Year	Factor
1	3.306
2	3.153
3	2.401
4	2.178
5	2.196
6	2.183
7	2.180

If a professional entity is rated non-standard (88046), apply the tail factor to the non-standard premium.

If a professional entity is rated on an auditable premium basis, the annual base premium is determined by multiplying the per exposure rate by the number of exposures. Apply the tail factor to the annual base premium.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

4. The Reporting Endorsement premium for a physician clinic (Form No. AP-1300) is calculated as follows:

Sum the annual adjusted base premium for each additional named insured on the clinic policy

+ Corporate base premium for the clinic using individuals with a premium bearing relationship

+ Allied Health Personnel Charge

= **Annual Clinic Base Premium**

- Loss Free Discount (sum of: Loss Free Discount x Adjusted Base Premium of each Additional Named Insured Physician)

- Risk Rewards Discount (sum of: Risk Rewards Discount x Adjusted Base Premium of each Additional Named Insured Physician)

= **Annual Discounted Premium**

X Tail Factor

= **Reporting Endorsement Premium**

<u>Year</u>	<u>Factor</u>
1	3.306
2	3.153
3	2.401
4	2.178
5	2.196
6	2.183
7	2.180

If a clinic is rated non-standard (88046), the Schedule Rating Credit (in dollars, if any) must be added back and the tail factor then applied.

If a clinic is rated on an auditable premium basis, the Schedule rating Credit (in dollars, if any) must be added back and the tail factor then applied.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

5. In the event of severance of the relationship between an ADDITIONAL NAMED INSURED physician and the NAMED INSURED physician clinic (both insured on Form AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician, either party may purchase a Reporting Endorsement on behalf of the physician. Such Reporting Endorsement premium shall be calculated as described in subparagraph 1.

Under these circumstances of severance between the parties, the ADDITIONAL NAMED INSURED shall be deleted by endorsement from the Physician Clinic policy. A separate policy (Form No. AP-1300) shall then be issued to the physician and the Reporting Endorsement for said physician shall be attached to this policy.

6. All premiums for the Reporting Endorsement are payable as of the due date shown on the Reporting Endorsement invoice. Any such premium not paid as of the due date shall be in default and shall be grounds for deleting the Reporting Endorsement. Any premium received after the due date shall be refunded within ten (10) business days and the Reporting Endorsement will be deleted.
7. A physician or allied health personnel (separate limits) may be granted a Reporting Endorsement without cost under the following circumstances:
 - a. Death
 - b. Disability (as defined in the policy--Form No. AP-1300), and
 - c. Retirement
 - i. "Retirement" means the permanent conclusion of and complete withdrawal from one's working or professional career as a physician or allied health personnel (separate limits)
 - ii. A credit toward the purchase of the Reporting Endorsement is computed as follows:
 - one-sixtieth (1/60) of the premium for each consecutive full month the physician or allied health personnel (separate limits) has had coverage with ISMIE Mutual for up to a total credit of 100% if the physician or allied health personnel (separate limits) has attained the age of fifty-five, or

Note: Policies written with an effective date prior to 7/1/03, which cancel after 7/1/03 will include any non-consecutive months in their credit.

VIII. CANCELLATION / NON-RENEWAL (Cont'd.)

C. REPORTING ENDORSEMENT. (Cont'd.)

7. (Cont'd)

- one one-hundred twentieth (1/120) of the premium for each consecutive full month the physician or allied health personnel has had coverage with ISMIE Mutual for up to a total credit of 100%, regardless of the physician's or allied health personnel's age at retirement.

Note: Waiver of the full premium for a Reporting Endorsement based on retirement will be granted only once to a physician or allied health personnel.

- iii. Coverage with previous claims-made carriers may be substituted in lieu of ISMIE Mutual coverage so long as the physician is insured with ISMIE Mutual for at least one year prior to requesting the Reporting Endorsement.
8. A physician previously granted a Reporting Endorsement without cost because of retirement may, in the future, be considered for insurance with ISMIE Mutual under the following circumstances:
- a. Completion of an application for insurance and verification of appropriate CME courses;
 - b. Reapplication within two years of the retirement/cancellation date;
 - c. Has reported no claims or suits under the ISMIE Mutual tail; and,
 - d. Payment of the appropriate premium charge for the period the policy is either placed on suspended coverage or is rated part-time, 20%, Retired, Not in Practice and, at the same limits of liability, territory and maturity year in effect at the time of cancellation.
9. The premium calculated above in subparagraphs 1, 3 or 4 is subject to proration depending upon the policy termination date and the NAMED INSURED's maturity year.
- a. **Maturity Year One** – The Reporting Endorsement premium shall be computed on a pro rata basis for each day the policy has been in force and shall be rounded to the nearest whole dollar.
 - b. **Maturity Year Two Through Maturity Year Six** – The Reporting Endorsement premium shall be the composite of the prorated difference between the Reporting Endorsement premium at the end of the current policy period and the premium that would have been charged in the preceding policy period if the policy had been cancelled on the same date added to the Reporting Endorsement premium that would have been charged in the preceding policy period if the policy had been cancelled on the same date.
 - c. **Maturity Year Seven** – is not subject to proration.

IX. ADDITIONAL INTERESTS

A. NO ADDITIONAL CHARGE. The interests listed below may be included without additional premium charge.

1. Financial Control

- a. An entity holding title to real property or facilities used by the NAMED INSURED, or
- b. An entity performing administrative duties and/or functions on behalf of the NAMED INSURED

but only if such entity is financially controlled by the NAMED INSURED or the partners or shareholders thereof.

2. Medical Corporations

Any medical corporation organized under the Professional Service Corporation Act of Illinois or the Medical Corporation Act of Illinois, but only if such medical corporation is solely (100%) owned by an individual physician, regardless of the number of physicians or other professional employees.

B. ADDITIONAL CHARGE. All other additional interests shall be submitted to ISMIE Mutual for rating.

X. UNDERWRITING PROCEDURE

A. PHYSICIAN COVERAGE

- 1. Except as is provided in paragraph C of this section, individual physicians must be insured through the issuance of a Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300).
- 2. If a physician employs another physician, all such employed physicians must be insured with ISMIE Mutual and such insurance must be written with limits of liability at least equal to those carried by the employer physician.

X. UNDERWRITING PROCEDURE (Cont'd.)

A. PHYSICIAN COVERAGE (Cont'd.)

3. If a physician's primary office practice and primary hospital practice exist within different territorial boundaries, the territory to be used for rating purposes shall be:
 - a. Non-surgical specialties
 - use primary office practice location.
 - b. Surgical specialties including Anesthesiology, Cardiovascular Disease (MRP), Emergency Medicine, Family Practice (not primarily Major Surgery), General Practice (Not Primarily Major Surgery), Ophthalmic Surgery, Pathology, Radiology
 - use primary hospital practice location.
 - c. "Primary" means 51% or more of the physician's total practice time spent in a given territory. In the event the physician does not practice to this extent in one territory, the higher rated territory shall be utilized.
4. If a physician practices equally in two or more territories, or, if hospital-based, the physician practices equally in two or more hospitals which are located within different territorial boundaries, the higher rated territory shall be utilized for rating purposes.
 - a. **NOTE:** See subsection A-3-c above.
5. The premium shall be the sum of:
 - a. The rate applicable to the individual physician's specialty, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**, plus
 - b. The appropriate per person rate for each Allied Health Personnel employee whose rate appears on the rate schedule in **Appendix I**, plus
 - c. Any established surcharge.

X. UNDERWRITING PROCEDURE (Cont'd.)

A. PHYSICIAN COVERAGE (Cont'd.)

6. In the event a physician's specialty rating is reduced, no additional premium charge shall be made. However, if the physician terminates the policy within twenty-four (24) months from the effective date of a specialty reduction to either Physician, No Clinical Practice, Physician, Clinical Practice Not Insurable, Retired Not in Practice, or reduces to any other specialty, or if the physician has not yet attained the age of fifty-five (55), or if the physician does not otherwise qualify for retirement, the resulting Reporting Endorsement calculation shall be made at the old specialty designation previously in effect.
7. Any retrospective change with respect to a physician's specialty and/or territory may not be effective more than two years prior to the date upon which ISMIE Mutual receives written notice of the change of physician's specialty and/or territory.

B. PARTNERSHIP OR MEDICAL CORPORATION COVERAGE

See APPENDIX II

C. PHYSICIAN CLINIC COVERAGE

See APPENDIX IV

D. PRIOR ACTS COVERAGE

1. Prior Acts Coverage can be provided to either Physician, Professional Entity or Physician Clinic Coverage.
2. Prior Acts Coverage may not be written with a retroactive date earlier than July 1, 1981.

X. UNDERWRITING PROCEDURE (Cont'd.)

D. PRIOR ACTS COVERAGE (Cont'd.)

3. For policies written prior to February 17, 1998, the maturity year applicable for Prior Acts Coverage is determined by calculating the difference (in months) between the retroactive date and the policy effective date as shown in the following table:

# of Months <u>> = but <</u>		Maturity <u>Year</u>
0	12	1
12	24	2
24	36	3
36	48	4
48	60	5
60	72	6
72		7

4. For policies written on or after February 17, 1998, the appropriate maturity year will be measured from the RETROACTIVE DATE as described in Section VII, "Rates and Premium Calculations", paragraph F, "Maturity Year".
5. The premium for Prior Acts Coverage shall be calculated as described in Article X, "Underwriting Procedure," paragraphs A, B and C.

XI. PHYSICIAN SPECIALTY

- A.** Physician Specialty assignment for rating purposes shall be made on the basis of:

1. The physician's trained medical specialty. "Trained medical specialty" is defined as follows:
 - a. Completion of a bona fide residency program by the physician, or
 - b. Completion of a bona fide residency and fellowship program by the physician, or
 - c. If neither a. nor b. are applicable to the physician's circumstances, the type of medical practice engaged in by the physician, including how such physician is holding him/her self out to the public.
 - d. If the physician has completed medical training as defined in Item a. and/or b. in more than one specialty, the higher rated specialty classification will be assigned.
2. When applicable, performance or non-performance of medical procedures in accordance with the rules established for this plan contained in this manual.

XI. PHYSICIAN SPECIALTY (Cont'd.)

- B.** The initial basis of rating assignment shall be the physician's trained medical specialty as described above. To the extent that the physician's practice activity contemplated by the medical specialty may be increased by the performance of medical procedures not usual and customary to the trained specialty, or may be decreased by the non-performance of medical procedures that are usual and customary to the trained medical specialty, the physician's rating assignment may be adjusted higher or lower as specified in **Appendix I** of this manual.
- C.** The physician specialty rating schedules and rules of this manual do not apply to physicians in active United States Military Service or to the government practice activity of physicians employed on a full or part-time basis by any government agency, institution or facility, other than a medical school or student health center.

Physicians, professional entities, or limited liability companies and physician clinics who render or furnish medical services within any government-owned or operated institution or facility (except a medical school, a facility owned or operated by a medical school, a student health center) on a fee-for-service (independent contractor) basis shall be subject to (a) rating.

XII. SUPPLEMENTARY RULES

A. SPECIAL RULES GOVERNING PHYSICIAN RATING.

For purposes of reference and application, the following rules are listed and defined:

1. **NEWLY PRACTICING PHYSICIAN PREMIUM DISCOUNT RULE.** (See **Appendix I**, Explanatory Note III)
2. **PART-TIME RATING RULE.** (See **Appendix I**, Explanatory Note IV)

XII. SUPPLEMENTARY RULES (Cont'd.)

A. SPECIAL RULES GOVERNING PHYSICIAN RATING. (Cont'd.)

3. **SUSPENDED COVERAGE RULE.** (See **Appendix I**, Explanatory Note V)
4. **CHANGE IN SPECIALTY MINIMUM DURATION RULE.**
Physicians who voluntarily request either a decrease or increase in specialty assignment, may not request a further change in specialty assignment until a period of three months has elapsed. (NOTE: This rule shall not apply when it conflicts with any other underwriting rule in this plan.)
5. **CHANGES IN LIMITS OF LIABILITY-SIX MONTHS ADVANCE NOTICE.** Named insureds who voluntarily request an increase in policy limits, must give six months advance notice before such policy limits change may take effect.

The six month advance notice shall be waived under the following circumstances:

- a. where a NAMED INSURED's practice relationship is altered to the extent that a change in policy limits is required.
- b. where a NAMED INSURED's hospital practice location has mandated a particular level of policy limits as a prerequisite to medical staff privileges.
- c. where a NAMED INSURED's hospital affiliation is altered to the extent that a change in policy limits is required.
- d. where a NAMED INSURED's specialty rating is either decreased or increased.

XII. SUPPLEMENTARY RULES (Cont'd.)

A. SPECIAL RULES GOVERNING PHYSICIAN RATING (Cont'd.)

6. Notwithstanding any of the provisions of subparagraphs A-4 and A-5, no physician may voluntarily request a concurrent decrease or increase in rating assignment with a decrease or increase in limits of liability and then request another increase in limits of liability until a period of six months has elapsed.
7. **LOSS FREE DISCOUNT. (Appendix I, Explanatory Note VII)**
Physicians with no indemnity payments over a given experience period may qualify for a premium discount.
8. **RISK REWARDS DISCOUNT. (Appendix I, Explanatory Note XIII)**

B. RESTRICTIVE ENDORSEMENT RULE

Whenever a restrictive endorsement is attached to the individual policy of:

1. an employed physician, or
2. a physician who is either a partner, officer, director or shareholder of a partnership, medical corporation or physician clinic

a comparable endorsement shall be attached to the respective employer's policy. Such endorsement shall serve to limit the liability otherwise afforded under such policies, for the acts and omissions of the physician whose individual coverage was restricted, if the claim or suit arises out of the excluded activity.

XIII. SELF-INSURED RETENTION (SIR)

- A.** A Self-Insured Retention (SIR) program is available to certain policyholders who either desire to share in their losses in return for premium savings or have demonstrated a significant adverse loss profile, necessitating that they take a primary role in the management of their risk.
- B.** An SIR requires the policyholder to share financially in each and every claim based on minimum amounts of \$100,000 "each person"/\$300,000 "aggregate." Other amounts may be arranged depending on the financial and risk management expertise by the policyholder. The SIR will include both indemnity and expense payments.
- C.** Any premium credit, because of the assumption of an SIR, must be submitted to ISMIE Mutual for rating.
- D.** An SIR requires the policyholder to post a letter of credit or other suitable form of security.
- E.** If an aggregate amount is specified, such aggregate shall be at least three times the underlying amount (e.g., \$100,000/\$300,000).

XIV. DEDUCTIBLES

- A.** A deductible program is available to certain policyholders who either desire to share in their losses in return for premium savings or have demonstrated a significant adverse loss profile, necessitating that they take a primary role in the management of their risk.
- B.** A deductible requires the policyholder to share financially in each and every claim based on minimum amounts of \$100K “each person”/\$300,000“ aggregate. Other amounts may be arranged depending on the financial and risk management expertise by the policyholder. The deductible, which is inside the limits of liability, will include indemnity payments only.
- C.** Any premium credit, because of the assumption of a deductible, must be submitted to ISMIE Mutual for rating.
- D.** A deductible requires the policyholder to post a letter of credit or other suitable form of security.
- E.** If an aggregate amount is specified, such aggregate shall be at least three times the underlying amount (e.g., \$100,000/\$300,000).

XV. VICARIOUS LIABILITY COVERAGE

- A.** Vicarious liability coverage is available to certain policyholders who utilize independent contractors or leased employees in their practice.
- B.** A policyholder will have the ability to purchase vicarious coverage for an independent contractor or leased employee or non-ISMIE Mutual insured employee for whom the policyholder is not otherwise covered under the policy, subject to underwriting. A separate charge will be applicable per independent contractor, leased employee, or non-ISMIE Mutual insured employee.
- C.** A charge of 15% of ISMIE Mutual’s mature rate based on the Named Insured’s territory and limits of liability and the appropriate specialty classification of each contracted, leased, or non-ISMIE Mutual insured employee will be assessed to the policyholder.
- D.** A charge of 5% of ISMIE Mutual’s mature rate based on the Named Insured’s territory and limits of liability and the appropriate specialty classification of each contracted or leased employee will be assessed to the policyholder.

XVI. QUARTERLY PREMIUM PAYMENT INSTALLMENT PLAN

- A.** The annual new business and renewal premiums of each policyholder will be invoiced over four quarterly installments.
- B.** The initial payment of 25% of the estimated annual premium is due at policy inception.
- C.** The remaining premium is also invoiced at 25% of the estimated annual premium and is due three, six and nine months from policy inception.
- D.** There is no fee or interest charge assessed by ISMIE Mutual for the quarterly installment plan.
- E.** Additional premium resulting from midterm changes to the policy are invoiced equally over the remaining installments due. If no installments remain, the additional premium may be billed immediately.

ENDORSEMENTS AND FORMS USED IN THIS PLAN

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN

Form Number	Title
AA-1000	Application for Physician Professional Liability Insurance
AE-1500-1	50% ER Special Charge
AE-1500-2	Address Change Endorsement
AE-1500-3	County and Territory Change Endorsement
AE-1500-4	County Change Endorsement
AE-1500-5	Limits Change Endorsement
AE-1500-6	Name Change Endorsement
AE-1500-7	Named Allied Health Personnel Endorsement
AE-1500-8	Allied Health Personnel Change Endorsement
AE-1500-9	Specialty Change Endorsement
AE-1501-1	Part-Time Coverage Endorsement
AE-1501-2	Part-Time Coverage Endorsement with Exclusion
AE-1502	Retired Physician Endorsement
AE-1505	Emergency Medicine Exclusion Coverage Endorsement
AE-1509	Exclusion Endorsement Medical Procedure Restriction (Comprehensive)
AE-1513	Exclusion Endorsement Medical Procedure Restriction (Major Risk)
AE-1515-2	Historical Suspended Coverage Period Endorsement
AE-1515-4	Historical Suspended Coverage for Military Duty Endorsement
AE-1519	Deletion Endorsement
AE-1529-1	Annual Physician Statement
AE-1529-2	Semi-Annual Physician Statement
AE-1529-3	Quarterly Physician Statement
AE-1530	"No Clinical Practice" Coverage Endorsement
AE-1531	Former Employee Endorsement
AE-1532	Limited Vicarious Liability

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN (Cont'd.)

<u>Form Number</u>	<u>Title</u>
AE-1534	IDFPR Conditions Endorsement
AE-1537	Controlled Substances Exclusion Endorsement
AE-1547	Free Medical Clinic Coverage Endorsement
AA-1075	Application for Additional Insured (Locum Tenens)
BA-3000	Application for Partnership/Corporation or Clinic Option Professional Liability Insurance
BAA-1	Business Associate Agreement
BE-3510 BE-3511	Former Officer, Director, Partner, Shareholder or Employee Endorsement Auditable Premium Endorsement
ABE-2501	Policy Cancellation Endorsement
ABE-2502-2	Uninsured Period of Coverage Endorsement
ABE-2503 ABE-2504	Non-Payment of Premium Cancellation Endorsement Non-Payment Cancellation of Reporting Endorsement
ABE-3275-2	Reinstatement Endorsement
ABE-4508-7	Medical Procedure Exclusion Endorsement
ABE-4526 ABE-4527	Doing Business as (DBA) Endorsement Article VII, "Conditions" - Amendment Endorsement
ABE-4532	Persons Insured Exclusion Endorsement
ABE-4539	Producer Endorsement
ABE-4543	Article II, Exclusions and Article VII, Conditions Amendment Endorsement (State of Wisconsin)

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN (Cont'd.)

Form Number	Title
CE-5511	Auditable/FTE Premium Endorsement
CE-1515-M	Suspended Coverage Endorsement for Military Duty
CE-3511-F	Auditable/FTE Facility Premium Endorsement
CE-5515	Suspended Coverage Endorsement
CE-5516	Extension of Suspended Coverage Endorsement
CE-5517	Deletion of Suspended Coverage Endorsement
CE-5518-1	Locum Tenens Coverage Endorsement
CE-5518-2	Historical Locum Tenens Coverage Endorsement
CE-5524-1	Surcharge Premium Adjustment
CE-5525-1	Reporting Endorsement "Total"
CE-5525-2	Reporting Endorsement "Installments"
CE-5544-1	Additional "Named Insured" Deletion Endorsement
CE-5546-2	Specified "Professional Services" Endorsement
CE-5547	Higher Limits for the Named Insured
CE-5548	"Named Insured" No Coverage Endorsement
CE-5553	Additional Insured Endorsement
CE-5554	Additional Named Insured with Sole Shareholder Corporation
CE-5555	Each and Every Limits Endorsement
CE-5556	FTE Implied Extension Endorsement
CE-5580-1	Practice Activity Exclusion Endorsement
L-2207	Medical Training Coverage
L-2214-2	Medical Director Waiver Endorsement

XVII. ENDORSEMENTS AND FORMS USED IN THIS PLAN (Cont'd.)

<u>Form Number</u>	<u>Title</u>
L-2217 L-2217-1	Policy Cancellation Endorsement Policy Cancellation Endorsement
L-2229	Multi to Sole Shareholder Corporation Endorsement
L-2236	Governmental Activity Waiver Endorsement
L-2242	Self-Insured Retention (SIR) Endorsement – Indemnity Only
L-2243	Self-Insured Retention (SIR) Endorsement – Indemnity and Expense
L-2244	Deductible Endorsement – Indemnity Only
L-2245	Article II, Exclusions Amendment Endorsement Vicarious Liability-Buy Back Endorsement, Physician
L-2246	Article II, Exclusions Amendment Endorsement Vicarious Liability-Buy Back Endorsement, Non-Physician
L-2249	Cyber Liability Endorsement
L-2250	Cyber Liability Reporting Endorsement
L-2500	Notice of Cancellation or Non-Renewal
M-117	Cancellation of Certificate Holder
M-118	Certificate of Insurance
PP-1215-A2	Application for Part-Time Rating Professional Liability Insurance

EXPLANATORY NOTES

EXPLANATORY NOTES:

The following represent the maturity factors to be applied in the event a policyholder is insured for less than seven years with ISMIE Mutual:

<u>Year</u>	<u>Factor</u>
1st	.250
2nd	.500
3rd	.780
4th	.925
5th	.950
6th	.975
7th	1.000

NOTE: The premium of Allied Health Personnel with separate limits is calculated by applying the 7th year maturity factor only.

The following represent the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

<u>Year</u>	<u>Factor</u>
1st	3.306
2nd	3.153
3rd	2.401
4th	2.178
5th	2.196
6th	2.183
7th	2.180

NOTE: The reporting endorsement premium of Allied Health Personnel with separate limits is calculated by applying the 7th year tail factor only.

APPENDIX I

EXPLANATORY NOTES:

- I. Territory 1** includes the Counties of Cook, Jackson, Madison, St. Clair, and Will.
- Territory 1A** includes the County of Vermilion.
- Territory 1B** includes the Counties of Kane, Lake, McHenry, and Winnebago.
- Territory 2** includes the County of Kankakee.
- Territory 2A** includes the Counties of Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, LaSalle, Macon, Ogle, and Randolph.
- Territory 2B** includes the County of Grundy.
- Territory 2C** includes the Counties of Adams, Knox, Peoria, and Rock Island.
- Territory 2D** includes the County of Sangamon.
- Territory 3** includes the remaining Counties in Illinois.

- II.** The following defines the medical procedure terms referenced in the listing of medical specialty designations/rates.

A. Specified Minor Risk Procedures (SMRP)

1. Cardiologists

Assisting in surgery, insertions of cardiac pacemaker (temporary or permanent), pericardiocentesis.

Cardiologists who perform the specified risk procedures listed will be rated accordingly. Performance of other minor risk procedures not specified will increase the premium charge.

B. Minor Risk Procedures (MRP)

Except as noted under A. 1, physicians with nominal specialty designation/risk notation of NMRP performing any of the following minor risk procedures will be assigned to a specialty designation/risk notation of MRP.

Interventional Cardiology

1. Angiography.
2. Arteriography.

EXPLANATORY NOTES:

II. (Cont'd).

B. Minor Risk Procedures (MRP) (Cont'd.)

3. Arterial, Venuous, Cardiac or other Diagnostic Catheterizations. This does not apply to Swan-Ganz, umbilical cord, urethral catheterization or arterial line in a peripheral vessel, which are covered under a specialty designation/risk notation of NMRP.
4. Defibrillation Insertion.
5. Electro-physiological studies and ablations.
6. Insertion of Balloon Expandable Stent.
7. Insertion of Cardiac Pacemaker whether temporary or permanent.
8. Insertion of intra-aorta balloon pump.
9. Intracoronary Infusions.
10. Myocardial Biopsies.
11. Pericardiocentesis.
12. Percutaneous Transluminal Therapeutic Angioplasty including placement of stents.

Ophthalmic Surgery

1. Either extraocular only or extraocular and intraocular (includes surgery for glaucoma, cataract, retinal detachment and strabismus surgery including YAG Laser Treatment for membrane opacity, Laser Trabeculoplasty and Laser Iridectomy, Incision and Curettage, corneal implants).
2. Astigmatic Keratotomy (AK), Automated Lamellar Keratoplasty (ALK), Conductive Keratoplasty (CK), Laser-Assisted in situ Keratomileusis (LASIK), Laser Thermal Keratoplasty (LTK), Photorefractive Keratotomy (PRK), Radial Keratotomy (RK) or Refractive Lens Exchange (RLE) Surgery.

Other

1. Assisting in the performance of surgery.
2. Interstitial Hyperthermia.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

B. Minor Risk Procedures (MRP) (Cont'd.)

3. Interventional Radiology such as Embolization, (Including Extracranial), Therapeutic Radiology, Deep Therapeutic Radiology (Includes Radium Implants). Percutaneous Transluminal Angioplasty, Percutaneous Nephrostomy and drainage procedures .
4. MRI Guided Focused Ultrasound for Treatment of Uterine Fibroids.
5. Vascular access for Dialysis (Including Tunneled Catheter).
6. Ultrasound Hyperthermia (Superficial only).

Obstetrical Procedures

1. Normal Vaginal Deliveries, uncomplicated obstetrical care either prenatal (which may include amniocentesis) and post-partum only, and/or cephalic vaginal deliveries performed in a hospital which may also include episiotomy and application of outlet/low forceps or vacuum cup only.
2. V-BAC (Vaginal Birth After C-Section). Physician must consult with another physician qualified to perform C-sections during the prenatal course, and must arrange for appropriate backup during delivery with a physician qualified to perform C-sections who is within 20 minutes traveling time of the hospital.

Gynecological Procedures

1. Amniocentesis.
2. Cervical Conization.
3. D&C (Does not apply to termination of pregnancy).
4. Endometrial Ablation.
5. LEEP.
6. Essure Sterilization.
7. Co2 Laser of Cervix.
8. Marsupilation of Bartholeum Cyst.
9. Operative Hysteroscopy.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

C. Major Risk Procedures—Limited Performance (LMaJRP)

Performance of major risk procedures by a physician increases the premium charge if these activities represent more than an incidental portion of the physician's practice:

Gynecological Surgeries:

1. Termination of Pregnancy.

NOTE:

Induced, non-spontaneous, in the first 12 weeks, rated similar to Gynecological Surgery.

2. Anterior/Posterior Repair.
3. Diagnostic Laparoscopy.
4. Fallopian Tube Recanalization.
5. Hysterectomy (with or without salpingo oophorectomy).
6. Myomectomy .
7. Operative Laparoscopy (includes tubal sterilization).
8. Ovarian Cystectomy .

Obstetrical Procedures:

1. Mid-forceps Delivery, Mid Vacuum.
2. Cesarean Section (primary, repeat).
3. Breech Delivery, Vaginal.
4. External Version.
5. Multiple Gestation, Vaginal Delivery.
6. Version and Extraction, 2nd Twin.
7. Chorionic Villi Sampling.

EXPLANATORY NOTES:

II. (Cont'd.)

**C. Major Risk Procedures—Limited Performance (LMaJRP)
(Cont'd).**

Orthopaedic Procedures:

1. Closed reduction of dislocations other than fingers, toes and shoulders.
2. Open reduction of fractures or dislocations.
3. Amputations (other than digital).
4. Any fracture of the pelvis that is displaced and/or involves concomitant injury to adjacent or subjacent organs due to the fracture.
5. Any fracture of the vertebrae that is dislocated and/or involves concomitant injury to the spinal cord or other adjacent or subjacent organs due to the fracture.
6. Orthopaedic Surgery including obtaining an Iliac Crest Bone Graft and open procedures on the coccyx but excluding open procedures on the rest of the spine.
7. Shoulder replacement.

Other Major Surgery Procedures:

Generally attributable to Specialists of Obstetrics, Gynecology, Orthopaedic, General, Cardiac, Vascular, Plastic Surgery, etc.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

D. Major Risk Procedures--Dominant Performance (MajRP)

Family Practice, General Practice or other similarly rated physicians performing any of the following **major risk procedures** where these activities represent the dominant procedures performed by the physician will be rated similarly to the specialty which generally performs such procedures on a regular and customary basis (subject to verification of training and underwriting approval):

Gynecological Surgeries:

1. Termination of Pregnancy.

NOTE:

Induced, non-spontaneous, in the first 12 weeks, rated similar to Gynecological Surgery.

2. Anterior/Posterior Repair.
3. Diagnostic Laparoscopy.
4. Fallopian Tube Recanalization.
5. Hysterectomy (with or without salpingo oophorectomy).
6. Myomectomy.
7. Operative Laparoscopy (includes tubal sterilization).
8. Ovarian Cystectomy .

Obstetrical Procedures:

1. Mid-forceps Delivery, Mid Vacuum.
2. Cesarean Section (primary, repeat).
3. Breech Delivery, Vaginal.
4. External Version.
5. Multiple Gestation, Vaginal Delivery.
6. Version and Extraction, 2nd Twin.
7. Chorionic Villi Sampling.

EXPLANATORY NOTES:

II. (Cont'd.)

**D. Major Risk Procedures--Dominant Performance (MajRP)
(Cont'd.)**

Orthopaedic Procedures:

1. Closed reduction of dislocations other than fingers, toes and shoulders.
2. Open reduction of fractures or dislocations.
3. Amputations (other than digital).
4. Any fracture of the pelvis that is displaced and/or involves concomitant injury to adjacent or subjacent organs due to the fracture.
5. Any fracture of the vertebrae that is dislocated and/or involves concomitant injury to the spinal cord or other adjacent or subjacent organs due to the fracture.
6. Orthopaedic Surgery including obtaining an Iliac Crest Bone Graft and open procedures on the coccyx but excluding open procedures on the rest of the spine.
7. Shoulder replacement.

Other Major Surgery Procedures:

Generally attributable to Specialists of Obstetrics, Gynecology, Orthopaedic, General, Cardiac, Vascular, Plastic Surgery, etc.

Otorhinolaryngology:

Performance of elective cosmetic surgery on the head or neck increases the premium charge, elective cosmetic other than the head or neck will be rated similarly to plastic surgery subject to verification of training and underwriting approval.

APPENDIX I

EXPLANATORY NOTES:

II. (Cont'd.)

D. Major Risk Procedures--Dominant Performance (MajRP) (Cont'd).

General Surgeons:

Performance of major risk procedures, as outlined above, generally attributable to other surgical specialists will not increase the premium charge provided these activities do not represent more than an incidental portion of the physician's practice; if these activities do represent more than an incidental portion, the physician will be rated similarly to the specialty which generally performs such procedures on a regular and customary basis.

E. Major Risk Procedures

Notwithstanding any other provision of paragraphs C. and D., the following procedures are rated as follows:

1. Administration of General Anesthesia, including intubation and Regional Anesthesia and Therapeutic Anesthesia for pain management (spinal nerve blocks, pumps, stimulators, etc.) will be rated similarly to anesthesia.
2. Extensor Tendon Repair will be rated similarly to General Surgery.
3. Hand and Wrist Surgery and Upper Extremity Surgery, including elbow and shoulder (other than shoulder replacement) will be rated similarly to Hand Surgery.
4. Neurosurgery, Gamma Knife (Leskell Gamma Radiosurgical Unit) and Intracranial Balloon Embolization will be rated similarly to Neurosurgery.
5. Organ Transplantation will be rated based on the specialty which generally performs such procedures on a regular and customary basis.
6. Spinal Surgery, including all open procedures on the spine (excluding the coccyx and obtaining an Iliac crest bone graft) and Chemonucleolysis will be rated similarly to that of Orthopaedics With Spinal Surgery.
7. Liposuction/Suction Lipectomy (Including Tumescant or Lipodissolve/Mesotherapy) will be rated similarly to Plastic Surgery.
8. Surgery for the treatment of Obesity (including Gastric Stapling, Laparoscopic Adjustable Gastric Band - LAP Band), Gastric Bypass Sleeve Resection, Duodenal Switch Procedures) or other similar surgical procedures for the treatment of morbid obesity, obesity or weight. Reduction will be rated similarly to that of General Surgery.

EXPLANATORY NOTES:

II. (Cont'd.)

E. Major Risk Procedures (Cont'd.)

9. Temporomandibular Joint Surgery including total replacement, arthroscopy, alloplastic implants or meniscal repair via placentation will be rated similarly to that of Orthopaedics Without Spinal Surgery.
10. Urological Surgery includes Vasectomy, Adult Circumcision and Therapeutic Cystoscopy, and insertion of penile prostheses or similar procedure.

III. Newly Practicing Physician Premium Discount Rules

- A.** Applicable to any physician who, as of the inception date of insurance in the ISMIE Mutual program, is entering the practice of medicine for the first time or has been in practice for less than 48 months following:

1. Attainment of medical license, or
2. Completion of residency or fellowship training including completion by an established practitioner of training in a different medical specialty in which the physician intends to practice, or
3. Completion of military service or other extended government service (e.g., National Health Service Corps., etc.)

NOTE: A physician who is insured for "moonlighting" activity while still enrolled in a medical training program is ineligible for a premium discount under this rule.

- B.** The premium discount is a percentage calculated from the time a physician enters medical practice and prorated within the first four policy years. The applicable discount is determined by the length of time the physician has been in practice as of the inception date of insurance, according to the following table:

APPENDIX I

EXPLANATORY NOTES:

III. Newly Practicing Physician Premium Discount Rules (Cont'd.)

NEWLY PRACTICING PHYSICIAN PREMIUM DISCOUNT TABLE

	TIME IN PRACTICE	% OF DISCOUNT	% INSURED PAYS
1st Practice Year	1 - 12 Months	50%	50%
2nd Practice Year	13 - 24 Months	35%	65%
3rd Practice Year	25 - 36 Months	20%	80%
4th Practice Year	37 - 48 Months	5%	95%

C. The premium discount applies:

1. To eligible new and renewal business effective on or after July 1, 1999;
2. In lieu of and not in addition to the "part-time rating" rules. A physician who is eligible for rate reduction under either set of rules shall automatically be entitled to the benefit of whichever rule affords the greater premium discount. This determination will be made for each policy year until the physician's eligibility for the "Newly Practicing Physician" premium discount has expired;
3. May be superseded but not extended by the benefit of "suspended coverage" rating.

IV. Part-Time Rating Rules

- A.** The following part-time categories may be applicable to the individual physician if the criteria established in paragraphs B and C are met by such physician:
1. Individual physician is "Retired, Not in Practice."
 - a. Coverage afforded under the Physician Professional Liability Claims-Made Insurance Plan policy (Form No. AP-1300) is limited to the occasional treatment of friends and relatives without remuneration.

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

A. (Cont'd.)

- b. The premium shall be 20% of the rate applicable to the lowest specialty designation based on the individual physician's territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**
- 2. Individual physician is a "moonlighting" resident whose "average weekly practice time" is not more than 10 hours per week. **Exception: Not more than 12 hours per week for Emergency Room Medicine.**
 - The premium shall be 27.5% of the rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**
- 3. Individual physician whose "average weekly practice time" is not more than 21 hours per week. **Exception: Not more than 24 hours per week for Emergency Room Medicine.**
 - The premium shall be 60% of the rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**
- 4. Individual physician whose "average weekly practice time" is 22 hours or more per week.
 - The premium shall be 100% of the rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I.**

B. The criteria for part-time rating consideration for an individual physician who is "Retired, Not in Practice" is as follows:

- 1. In the case of a physician with "Retired, Not in Practice", the individual physician must submit a written request for part-time rating based on the retirement from active practice.
- 2. Upon establishment of the aforementioned criteria, a physician who is:
 - "Retired, Not in Practice" shall have his/her policy endorsed with the Retired Physician Endorsement (AE-1502).

APPENDIX I

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

C. The criteria for part-time consideration for all other physicians are as follows:

1. "Average weekly practice time" as determined on the basis of the physician's written representations meets the "hour per week" limitations as specified in subparagraphs A-2 and A-3.
 - a. "Average weekly practice time" is defined to include all of the following:
 - (1) all clinical patient care;
 - (2) completion of patient medical records; and,
 - (3) consultations.
2. "Average weekly patient volume" as determined on the basis of the individual physician's submission of written verification.
 - a. Any of the foregoing which substantiates "average weekly patient volume" at each surgi center, emergi center, walk-in clinic or other outpatient facility where professional services are rendered to patients for which coverage is desired.
 - b. The "average weekly patient volume" so determined must correlate to "average weekly practice time" as specified in subparagraph C-1.
3. Any professional activity for which coverage is not desired, and which requires the issuance of an exclusionary endorsement attached to the individual physician's policy with respect to such activity, shall be considered in the application of subparagraphs C-1 and C-2. Verification of coverage for such activity must be received by ISMIE Mutual.
4. Notwithstanding any of the provisions of subparagraphs C-1, C-2 and C-3, a physician who schedules patient appointments more than four days per week may not be considered for part-time rating. This includes patient contact in a hospital, surgi center, emergi center or other out-patient facility.

NOTE: Physicians may not apply for part-time and simultaneously request cancellation of their policy. Part-time rating can only be considered for an in force policy. If the physician terminates the policy within six months of a reduction to part-time, the Reporting Endorsement premium calculation shall be made at the standard full time premium previously in effect.

APPENDIX I

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

C. (Cont'd.)

5. Notwithstanding any of the provisions of subparagraphs C-1, C-2, C-3 and C-4, no physician who practices more than 26 weeks per year may be considered for part-time rating.
6. Upon establishment of the aforementioned criteria, either a Part-Time Coverage Endorsement (AE-1501) or Part-Time Emergency Medicine Endorsement (AE-1503) shall be attached to the individual physician's policy.
7. Physician must complete the Application for Part-Time Rating (form PP-1215-A2) and submit at least six months of documentation to apply for part-time. Once part-time eligibility has been established, a reduction will be granted effective on the date the physician's documents are received by ISMIE MUTUAL, or no greater than 6 months retroactive from the date all documents are received by ISMIE Mutual.

D. Individual physicians with a nominal specialty designation/risk notation of NMRP, MRP, SMRP or LMajRP, who in addition to their specialty practice also engage in emergency room services, other than for the purpose of satisfying hospital staff privilege requirements, may be eligible for composite rating as follows:

1. 22 hours per week or more of specialty practice subject to not more than 24 hours per week of emergency room services.
 - The premium shall be the sum of 50% of the rate applicable to a specialty designation/risk notation of NMRP, MRP, SMRP or LMajRP, and 50% of the rate applicable to Emergency Medicine--NMajS, prim. based on the individual physician's territory, limits of liability and maturity year which appear on the rate schedule in **Appendix I**.
2. 25 hours per week or more of emergency room services.
 - The premium shall be 100% of the rate applicable to Emergency Medicine--NMajS, prim., the individual physician's territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**.

EXPLANATORY NOTES:

IV. Part-Time Rating Rules (Cont'd.)

E. "Free Medical Clinic" Coverage.

Individual physicians whose sole insurable practice activity is rendering professional services in a "Free Medical Clinic" for no remuneration may be eligible for an annual rate of \$48 for limits of \$1 million/\$3 million, regardless of territory. This premium cannot be lowered for any reason.

1. A physician cannot reduce to this specialty from any other rating classification identified in this manual.
2. No prior acts coverage is afforded under this classification for a physician's rendering of professional services outside of a Free Medical Clinic.
3. The physician shall have his/her policy endorsed with the endorsement (AE-1547).
4. Upon termination of the policy, the physicians will be eligible to purchase a Reporting Endorsement as outlined in **General Rules**, Section VIII, C. with the following exception:

Premium for a Reporting Endorsement for physicians whose sole insurable practice activity was rendering professional services in a "Free Medical Clinic" will be waived.

APPENDIX I

EXPLANATORY NOTES:

V. Suspended Coverage Rules

These rules apply to a physician who is temporarily in an "inactive practice" status due to voluntary interruption of practice (e.g., vacation, travel, continuing education, research, etc.), or involuntary interruption of practice (e.g., incapacitating illness or disability, other health reasons, including pregnancy, etc.).

A. If leave of absence is one (1) month or less

1. No premium reduction shall be given. If the insured requests cancellation (written request from insured required), reinstatement may not take effect prior to a three (3) month waiting period and will be subject to re-underwriting including the required purchase of a Reporting Endorsement at the time of cancellation.

B. If leave of absence is more than one (1) month but does not exceed one (1) year

1. Regardless of the reason for interruption of practice, the insured may be offered the alternatives outlined in a. and b. below subject to the rules contained therein.
 - a. Cancellation. Reinstatement may not take effect prior to a three (3) month waiting period and will be subject to re-underwriting including the required purchase of a Reporting Endorsement at the time of cancellation.
 - b. Suspended coverage by means of endorsement AE-1515-1.
 - (1) The premium shall be 25% of the standard full-time rate applicable to the individual physician's specialty designation, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**.
 - (2) Such premium shall be prorated for the period of time the policy will be maintained in suspended status; however, in no event may the period of time exceed one (1) year.
 - (3) The suspended coverage rate reduction does not apply to any other charges used in developing the policy premium (e.g., surcharges, additional insureds, etc.), nor does it estop the passage of time applicable to the Newly Practicing Physician Premium Discount.

NOTE: Physicians may not request suspended coverage with a concurrent change to specialty classification, limits of liability or any other rating element.

EXPLANATORY NOTES:

V. Suspended Coverage Rules (Cont'd.)

- C.** If leave of absence is for one (1) year or longer
1. The policy should be canceled. Reinstatement will be subject to re-underwriting including the required purchase of a Reporting Endorsement at the time of cancellation.
- D.** If leave of absence is due to active military duty, the policy will be placed on suspended coverage for the length of service and the premium for the entire period will be waived.

VI. Locum Tenens (Additional Insured)

- A.** Locum Tenens Coverage is required when a physician is temporarily substituting for an ISMIE Mutual insured physician if the substituting physician either does not have professional liability insurance or has limited insurance that would not cover him/her for such substituting activities. A form AA-1075, Locum Tenens Application, must be submitted for review at least seven (7) business days prior to the physician's intended start date, and the application must be approved in writing by ISMIE Mutual prior to the first date of desired coverage. The substituting physician can be added for coverage as an "Additional Insured" under the ISMIE Mutual insured physician's policy by means of endorsement AE-1518, "Additional Insured - Locum Tenens Coverage Endorsement", the use of which is governed by the rules set forth below.
- B.** The premium shall be the rate applicable to the Locum Tenens' specialty designation and the ISMIE Mutual insured physician's territory, limits of liability and maturity year multiplied by the applicable percentage as specified below in the accompanying chart:

<u>NUMBER OF DAYS EXPECTED SUBSTITUTION</u>	<u>PERCENTAGE APPLIED TO THE QUARTERLY PREMIUM AMOUNT</u>
1 to 30 days	0%
31 to 60 days	35%
61 to 90 days	65%

NOTE: 30 days of Locum Tenens coverage at no charge is cumulative per policy period.

APPENDIX I

EXPLANATORY NOTES:

VI. Locum Tenens (Additional Insured) (Cont'd.)

C. The following rules are applicable to Locum Tenens coverage:

1. Locum Tenens coverage can only be provided for a maximum of 90 days per policy year.
2. The Locum Tenens may not be insured to substitute for more than one ISMIE Mutual insured physician during the same physical period of time.
3. Each ISMIE Mutual insured physician is required to pay the appropriate premium when adding a Locum Tenens to his/her policy, regardless of whether another ISMIE Mutual insured physician is being charged premium for covering the substitute services of the same Locum Tenens during a different physical time period.
4. There is no need to purchase a Reporting Endorsement upon discontinuation of Locum Tenens coverage. Coverage for future reported claims/suits continues to exist through the ISMIE Mutual insured physician's policy, subject to the purchase of a Reporting Endorsement by the NAMED INSURED upon policy termination.
5. If more than one Locum Tenens is applicable to the same ISMIE Mutual insured physician, a separate premium charge shall be made for each Locum Tenens.
6. If the period of coverage for the Locum Tenens is continuous and begins prior to renewal and extends through and beyond renewal, the premium charge shall be based on the rates in effect prior to said renewal.
7. If the period of coverage for the Locum Tenens is a discrete series of days which begins prior to and extends through and beyond renewal, a separate premium charge shall be made for:
 - a. the period prior to renewal; and,
 - b. the period on or after renewal.
8. The ISMIE Mutual insured physician's policy cannot be on suspended coverage during the Locum Tenens period.

EXPLANATORY NOTES:

VII. Loss-Free Discount

Existing policyholders may qualify for a discount in premium based on the following criteria:

- A.** The existing policyholder is eligible for the loss-free discount after being continuously insured for at least 3.5 years. (See chart below.)
- B.** The existing policyholder must have incurred no indemnity payments (i.e., no indemnity payment made) during the experience period.
- C.** Experience Periods and Applicable Discounts

<u>Years</u>	<u>Discount Applied 7/1/98 and After</u>
3	3%
4	6%
5	8%
6	10%
7	12%
8	17%
9	18%
10	19%
11+	19.5%

New business applicants may qualify for a loss-free discount except that the experience period will be measured annually from the applicant's retroactive date. Proof of loss-free must be submitted to ISMIE Mutual from the applicant's prior carrier(s).

Note: This will not apply to any new business effective July 1, 2003 and after.

- D.** Applies to all medical specialties except "Physician, Treating Patients in Free Medical Clinic."

APPENDIX I

EXPLANATORY NOTES:

VIII. Per-Patient Rating for Emergency Physicians

- A.** Groups of Emergency Physicians of two or more may qualify for per-patient rating.
- B.** Such rating shall only be available under the Physician Clinic Policy.
(See Appendix IV)

IX. Per-Patient Rating for Anesthesiologists

- A.** Groups of Anesthesiologists of two or more may qualify for per-patient rating.
- B.** Such rating shall only be available under the Physician Clinic Policy.
(See Appendix IV)

X. Surgicenter Rating

- A.** Surgicenters may qualify for the per-procedure rating.

XI. Urgent Care Rating

- A.** Urgent Care facilities may qualify for the per-procedure rating.

XII. Allied Health Personnel Employee Rate Schedule

The schedules on the following pages set forth the rates to be charged as "Additional Named Insureds" premium under the Standard Physician Professional Liability Claims-Made Insurance Plan for any physician or medical entity who employs Allied Health Personnel of the type identified therein. The appropriate per unit rate for each chargeable Allied Health Personnel, who will be listed via endorsement, will be made.

EXPLANATORY NOTES:

XIII. Risk Rewards Discount

Existing physician and allied health personnel insureds may qualify for a discount in premium based on the following criteria:

- A.** Completion of an ISMIE Mutual-sponsored risk management component (e.g., seminar, self-study program).
- B.** Achievement of a minimum passing score for each component taken.
- C.** An insured may earn and receive either:
 - 1. A maximum discount of 15% for 2 years by becoming a Managing Risk Premier Partner; or
 - 2. A maximum discount of 10% for 2 years by becoming a Managing Risk Fellow; or
 - 3. A maximum discount of 10% for 1 year by becoming a Managing Risk Partner.
- D.** Applies to all physician medical specialties, except “Physician, Treating Patients in Free Medical Clinic.”
- E.** Applies to all Allied Health Personnel for which a premium is charged.
- F.** Points earned during the following calendar years will be applied to the corresponding annual renewal period as indicated in the table below:

<u>Calendar Year</u>	<u>Renewal on or after</u>
2010	7/1/11
2011	7/1/12
2012	7/1/13
2013	7/1/14
2014	7/1/15
2015	7/1/16
2016	7/1/17
2017	7/1/18
2018	7/1/19
2019	7/1/20
2020	7/1/21

APPENDIX II

PROFESSIONAL ENTITY LIABILITY RULES AND RATES

A. ELIGIBILITY

To be eligible for ISMIE Mutual Professional Entity Professional Liability Insurance, a partnership, *sole shareholder medical corporation, or multi-shareholder medical corporation must conduct a medical business that is owned and operated by physicians for the purpose of providing patient services. Such services must be related to the physician owners medical practice specialty, or professional qualifications and be rendered by the physician owners, or other qualified physicians and/or allied health personnel employed by the physician owners in the name of the professional entity.

(*Insurance for sole shareholder professional entities where separate limits of liability are not desired is provided through the ISMIE Mutual Individual Physician Professional Liability Insurance Plan policy without additional premium charge.)

B. INSURABILITY

Determination of eligibility is made on the basis of a completed insurance application form entitled "Application for Medical Partnership/Corporation Professional Liability", form number BA-3000. If the medical business to be insured is otherwise eligible, it is mandatory that all physician partners, shareholders, officers, directors and employees of the partnership or medical corporation be individually insured with ISMIE Mutual for limits of liability at least equal to those desired by the partnership or medical corporation.

Exception: The requirements for individual insurance with ISMIE Mutual may be waived without affecting the professional entity's eligibility, under circumstances where a partner, shareholder, officer, director or employed physician has no need for or cannot obtain personal professional liability insurance with ISMIE Mutual (e.g., a retired physician, a physician on leave of absence, a physician not primarily practicing in the state identified in the mailing address on the Declarations page or the state of practice identified in the application for insurance, a physician declined for underwriting reasons, etc.). In such cases, the policy issued to the professional entity by ISMIE Mutual shall be endorsed to exclude liability arising out of the acts or omissions of any such uninsured physician. This is accomplished by means of attaching form BE-3506 "Acts or Omissions of Others" Exclusion Endorsement.

APPENDIX II

C. RATING

Professional Entities qualifying under the above rules shall be issued a Professional Entity Professional Liability Plan Policy, form AP-1300, subject to the following standard premium charges:

1. The sum of 25% of the premium that would be charged for each partner's, officer's, director's, shareholder's, employee's or independent contractor's individual policy premium at the limits of liability desired by the partnership or corporation (without regard to any surcharge), subject to:
 - a. a maximum of 25% of the sum of the five highest rated physician partner's, officer's, director's, shareholder's, employee's or independent contractor's individual policy premium as calculated above
 - b. a minimum of \$400 per year

plus

2. The appropriate per person rate for each allied health personnel employee whose rate appears on the rate schedule in **Appendix I**; plus,
3. Any established surcharge/debit.
4. Upon cancellation or non-renewal of a Professional Entity policy (Form No. AP-1300), a Reporting Endorsement may be purchased. The Reporting Endorsement premium shall be the sum of 25% of the premium that would be charged for each partner's, officer's, director's, shareholder's, employee's or independent contractor's individual Reporting Endorsement (as described in General Rules, Section VIII, "Cancellation/Non-Renewal", subparagraph C-3) at the coverage level desired by the partnership or medical corporation. A Professional Entity Reporting Endorsement premium is not subject to any minimum or maximum.

The standard premium charges do not apply to the following types of medical business which must be submitted for rating:

Abortion clinics, Multi-phasic Diagnostic Centers, Surgi Centers (Ambulatory Care Centers), Weight Control Clinics, 24 hour Emergi Centers and any other medical business with unique or unusual exposure conditions not governed or contemplated by the rules and standard premium charges contained herein.

APPENDIX III

RISK CHARACTERISTIC SURCHARGE PLAN

- A.** The Risk Characteristic surcharge plan is a fundamental element in the ISMIE Mutual Professional Liability Program. It establishes a review format for professional risk evaluation of physicians, by physicians, and provides an effective risk control mechanism for mitigating potential loss exposures. The objective of the Surcharge Plan is to encourage insured physicians to maintain high professional standards, thereby ensuring quality patient care and the stability of this professional liability program.
- B.** The following characteristics shall be considered in determining individual risk surcharges and physician group debits (i.e., percentage increase of standard premium) under the ISMIE Mutual Professional Liability Program:

<u>CHARACTERISTICS</u>	<u>TIER EVALUATION</u>
1. Any one claim (open or closed) found to involve questionable judgment or procedure as determined by the Physician Review and Evaluation Panel ("PREP").	Tier 1
2. Any one claim (open or closed) involving significant questionable judgment or procedure; or practice in an area significantly beyond training or competency; or any two claims (open or closed) involving questionable judgment or procedure as determined by the Physician Review and Evaluation Panel ("PREP").	Tier 2
3. Any one claim (open or closed) involving negligence; or three or more cases (open or closed) involving questionable judgment or procedure; two or more cases (open or closed) involving significant questionable judgment or procedure; or a combination of these characteristics regardless of disposition as determined by the Physician Review and Evaluation Panel ("PREP"); or claim frequency as determined by specialty; or any other adverse underwriting characteristics such as, but not limited to, hospital staff privileges subject to disciplinary action, Licensing Board disciplinary action, etc.	Tier 3

APPENDIX III

4. A pattern of claims reflecting inappropriate medical care; including practicing outside of one's specialty; excessive patient volume or other practice patterns which compromise quality of care; or a pattern of cases reflecting a significant breach in the standard of care regardless of ultimate disposition as determined by the Physician Review and Evaluation Panel ("PREP") or any other adverse risk characteristics as determined by PREP which represents a significant exposure, combined with claim frequency as determined by specialty, and a loss ratio of 120% or greater.	Tier 4
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- C.** The following table converts the Tier Evaluation to the surcharge percent that is to be applied to the insured's standard premium, determined in accordance with the rating rules of this manual. The percentage (%) is always applied to the insured's annual base premium. Part-time rating, suspended coverage, the newly practicing physician discount, or subsequent procedure reduction shall not operate to decrease the amount of the surcharge otherwise due.

	<u>TIER EVALUATION</u>			
TIER:	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
PERCENTAGE (%):	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100-200%</u>

- D.** The following debits may be applied to a physician group:

A Schedule Rating Debit (up to a maximum of 25%) may be applied according to the following schedule:

	<u>DEBIT UP TO</u>
Loss Experience	25%
Professional Skill and Competency	10%
Organizational Structure and Size	10%
Patient Rapport	10%
Classification Anomalies	3%
Claim Anomalies	3%

APPENDIX III

E. The following rules govern the application and duration of surcharges, physician group debits and policy exclusions established through the Surcharge Plan:

1. A surcharge or debit may be applied at the inception of the policy or at any subsequent policy renewal thereafter.
2. Ultimate disposition of a previously evaluated "open" claim shall not affect the originally assessed surcharge/debit.
3. In determining the appropriate percentage to assess within the Tier 4 surcharge range, PREP shall consider the severity of the insured's loss ratio. The minimum shall be assessed for a loss ratio of 120-200%, the mid for a loss ratio between 200-300%, and the maximum for a loss ratio greater than 300%.
4. Surcharges shall remain in effect in accordance with the following table:

<u>SURCHARGE %</u>	<u>DURATION</u>
25%	12 Months
50%	24 Months
75%	24 Months minimum, subject to reevaluation by "PREP" at the expiration of 24 months.
100-200%	24 Months minimum, subject to re-evaluation by "PREP" at the expiration of 12 months.

5. Debits shall remain in effect for a minimum of two years and may be reconsidered in accordance with the provisions outlined in subparagraph E-6.
6. Imposition of surcharges, physician group debits and other indicated actions may be accomplished by the Physician Review and Evaluation Panel ("PREP") which serves as consultant to the Underwriting Division. Surcharges, debits and other indicated actions may only be reconsidered bi-annually by the originating source or may be reviewed by "PREP" in accordance with the following note below, providing the applicant or insured requests such reconsideration or review in writing within six months following notification by the Company.

NOTE: The insured is obliged to make payment of the surcharge or debit during the pendency of the reconsideration or review process. If the surcharge/debit is eliminated or reduced, the decision shall be applied retroactive to the original effective date.

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7. The imposition of a surcharge/debit disqualifies insureds from receiving any discount offered to participants of a group program (e.g., IPA, network, or purchasing group).
8. A medical procedure exclusion, practice activity exclusion, and/or a curtailment of policy limits of liability may be imposed at the inception of the policy or any policy renewal thereafter. Any of these actions qualifies for review by the "PREP" Committee, provided the insured requests such reconsideration in writing within six months following notification by the Company.

NOTE: These kinds of coverage restrictions are generally intended to apply for an indefinite period. However, in the case of a medical procedure exclusion, after the exclusion has been in effect for a minimum of six (6) months, the insured may request consideration for removal of the exclusion upon furnishing satisfactory evidence of retraining or other appropriate medical testimony. Such a request may only be made once in any twelve (12) month period.

- F. At its discretion, PREP may recommend any ISMIE Mutual Risk Management or continuing Medical Education activity in addition to a surcharge/debit and/or medical procedure exclusion.

GENERAL STATEMENT

The provisions of this plan affect the underwriting treatment of both new applicants and existing policyholders. In the case of a new applicant who has been declined by either the Underwriting Division or "PREP", depending on the reason(s) for declination, the opportunity may be extended to the applicant to meet personally with "PREP" in order to review the declination decision. "PREP" may overturn, or otherwise modify an Underwriting Division decision but only in accordance with the procedure outlined in the PREP Committee Administrative Rules.

Any existing policyholder subject to policy cancellation or non-renewal may, depending on the reason(s) for policy cancellation or non-renewal and upon timely request, be granted the opportunity to request an appeal. Such request for appeal shall be heard by a Committee appointed by ISMIE Mutual's Board of Directors. The outcome of this review shall be binding on both the policyholder and ISMIE Mutual.

APPENDIX IV

I. PHYSICIAN CLINIC

A. The qualifications for coverage under the policy (Form No. AP-1300) are as follows:

1. The physician clinic must consist of two (2) or more physicians:
 - a. who are permanently licensed in Illinois; and,
 - b. whose medical practice is performed primarily in the State of Illinois for or on behalf of the NAMED INSURED physician clinic.
2. The physician clinic must be one of the following; i.e., a partnership, medical corporation, limited liability company, limited partnership, joint venture, association or other legal entity. All partners, officers, directors, shareholders, employees, members or potential ADDITIONAL NAMED INSUREDS of the physician clinic must be Doctors of Medicine or Doctors of Osteopathy.
3. The physician clinic must consist of a primary location domiciled in the State of Illinois:
 - a. where professional services are rendered to patients; and,
 - b. where administrative functions are undertaken (appointments, billing, patient records, etc.)

Satellites or branch facilities are acceptable to the extent they are both financially and medically controlled by the primary location and are practicing as a part thereof.
4. The physician clinic must hold itself out to be a clinic engaged in the delivery of professional services to patients. Consideration for coverage will be given to the following characteristics:
 - a. length of time entity has operated as a physician clinic;
 - b. degree of medical specialization;
 - c. stability of members and locations;
 - d. reputation and standing within community served;
 - e. hospital where physicians have admitting privileges;

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

A. (Cont'd.)

4. (Cont'd.)
 - f. degree of patient sharing;
 - g. profit sharing and other defined benefits available;
 - h. how entity holds itself out to the public; i.e., promotional materials, advertising, sign on the door, etc.;
 - i. minimal use of independent contractors.
5. Insurance for a physician clinic shall be provided through the issuance of the policy (Form No. AP-1300).
6. Physicians who are partners, officers, directors, shareholders or employees of the physician clinic shall be insured by including such physicians as ADDITIONAL NAMED INSUREDS under the policy by endorsement.

B. The limits of liability available for a physician clinic are as follows:

1. The "Each Person" limit may be obtained only in the amount of \$1,000,000 or \$2,000,000 and a corresponding annual aggregate of \$3,000,000 or \$4,000,000 applied to each individual physician member and entity or the aggregate limit may be shared, the amount being determined by the number of exposures in the group as follows:

# of Exposures	Aggregate Applicable to "Each Person" Limit	
	\$1M	\$2M
2	5M	6M
3	8M	10M
4	10M	12M
5	15M	16M
6	16M	18M
7	18M	22M
8	20M	24M
9	22M	28M
10 - 19	25M	30M
20 - 39	40M	45M
40 - 59	55M	60M
60 - 79	70M	75M
80 - 99 ¹	85M	90M

¹For each additional 20 exposures, increase the aggregate by \$15M.

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

B. (Cont'd.)

2.

C. The premium shall be the sum of:

1. the rate applicable to each ADDITIONAL NAMED INSURED'S specialty, territory, limits of liability and maturity year which appears on the rate schedule in **Appendix I**;
2. plus, the rate applicable to the clinic entity noted in **Appendix II**;
3. plus, the appropriate per person rate for each Allied Health Personnel whose rate appears on the rate schedule in **Appendix I**;
4. minus, any loss-free discount applicable to any ADDITIONAL NAMED INSURED;
5. minus, any risk rewards discount applicable to any ADDITIONAL NAMED INSURED;
6. plus or minus, any applicable debit or credit as specified in paragraph D;
7. plus, any established surcharge.

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

D. The following credits/debits are available to the physician clinic:

	debit	credit
1. Loss Experience Calculation	25%	-25%
Schedule Rating	25%	-25%
Maximum combined Loss Experience Calculation and Schedule Rating: +/-50.0%		

NOTE: Any established debit must be imposed for a minimum of two years.

2. The combination of schedule rating and loss-free discount may not exceed a 69.5% credit.

3. **Application of Loss Experience Calculation:**

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least four years of practice experience.

Formula: $((\text{Actual Loss} * \text{Credibility}) / \text{Expected Losses}) + (1 - \text{Credibility})$.

Maximum debit/credit for Loss Experience Calculation will be +/-25%.

4. **Application of Schedule Rating:**

Will be applied only to group business; group must consist of two or more physicians.

Will be applied to both existing ISMIE Mutual and new business with at least one year of practice experience.

Maximum debit/credit for Schedule Rating will be +/-25%.

5. **Schedule Rating Components:**

	debit	credit
I. Professional Skill and Competency: maximum debit/credit of combined items a through i	10%	-10%
a. Demonstrated effectiveness of group's hiring and on-going credentialing process for new and existing staff, including both physicians and non-physicians.	5%	-5%
b. Board certification for physicians/other certification for non-physicians: percentage of group.	5%	-5%
c. Group is accredited by a recognized body.	0%	-5%
d. Treatment of patients is limited to qualified individuals (both physician and non-physician).	3%	-3%
e. Delegation of medical treatment to non-physicians is reasonable, monitored and included in the group's practice protocols.	2%	-2%
f. Continuing professional education is expected and compliance is monitored.	5%	-5%
g. Hospital affiliations are geographically proximate and reflect professional competency of the group.	2%	-2%
h. Demonstrated ability to treat the variability of the patient population within the patient's service area.	3%	-3%
i. Appropriate utilization of group's equipment, including all necessary procedures and diagnostic tests.	2%	-2%

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

II. Organizational Structure and Size: maximum debit/credit of combined items a through e.	10%	-10%
a. Group delivers quality care in the context of the group's economy of scale.	3%	-3%
b. Existence of a Quality Review Committee which considers outcomes of patient treatment, as well as unexpected results and integrates solutions into the group's practice protocols.	5%	-5%
c. Existence of a committee which reviews medical utilization, existing and anticipated treatment protocols and clinical guidelines and enforces compliance within the group.	5%	-5%
d. Ongoing process, with adequate resources, for the care and maintenance of premises and equipment.	2%	-2%
e. Established budgetary process for the expected replacement of premises and equipment.	2%	-2%
III. Patient Rapport: maximum debit/credit of combined Items a through h.	10%	-10%
a. Tenure of professional activities by physicians and non-physicians: both professionally and within the group.	5%	-5%
b. Group's reputation within the community and service area.	3%	-3%
c. Office hours and availability of physicians and non-physicians at other times and weekends.	2%	-2%
d. Patient surveys: performed and results integrated into the group's practice protocols.	3%	-3%
e. Patient complaints: accepted, analyzed and results integrated into the group's practice protocols.	3%	-3%
f. Degree to which hospitalists and/or laborists are utilized for the group's patients.	2%	-2%
g. Patient volume is reasonable in context of group size, geography and patient mix.	5%	-5%
h. Reimbursement mix: Medicare, Medicaid, private insurance company, HMO.	3%	-3%
IV. Full-Time Dedicated Risk Manager	0%	-5%
V. Classification Anomalies		
a. Differentiation of the insured from other members of the same class and type of risk, which is expected to impact future loss experience.	3%	-3%
VI. Claim Anomalies		
a. Any economic, societal, jurisdictional changes which impact the frequency and/or severity of losses. Any circumstances which either overstate or understate the ultimate severity in losses.	3%	-3%

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

- E.** Upon cancellation or non-renewal of the policy (Form No. AP-1300), a Reporting Endorsement may be purchased. The Reporting Endorsement premium shall be the sum of premium that would have been charged for each ADDITIONAL NAMED INSURED'S Reporting Endorsement (as described in **General Rules**, Section VIII "Cancellation/Non-Renewal", subparagraphs C-1, C-2 and C-3) at the limits of liability desired by the physician clinic.
- F.** In the event of severance of the relationship between an ADDITIONAL NAMED INSURED physician and the NAMED INSURED physician clinic (both insured on Form No. AP-1300), in conjunction with termination of coverage on behalf of the ADDITIONAL NAMED INSURED physician, either party may purchase a Reporting Endorsement on behalf of the physician. Such Reporting Endorsement premium shall be calculated as described in **General Rules**, Section VIII, "Cancellation/Non-Renewal", subparagraphs C-1, C-2 and C-3 at the limits of liability desired by the requesting party.

Under these circumstances of severance between the parties, the ADDITIONAL NAMED INSURED shall be deleted by endorsement from the policy. A separate policy (Form No. AP-1300) shall be issued to the physician and the Reporting Endorsement for said physician shall be attached to this policy.
- G.** With respect to Reporting Endorsements discussed in paragraphs E and F, no credits and/or debits as described in paragraph D shall be included in the premium calculation.
- H.** In the event a physician clinic falls below the minimum number of required physicians; i.e., less than two (2), the physician clinic shall have six (6) months in which to correct such deficiency. Failure to correct such deficiency within six months shall be grounds for reverting the physician clinic to a non-clinic policy format.

II. FULL TIME EQUIVALENT RATING (FTE)

- A.** A FTE rating policy is only available to single specialty clinics or groups, or attached by way of endorsement to any type of policy.
- B.** A FTE rating is based on a certain identifiable pricing mechanism (i.e., "per-patient" encounters, "per procedure", "total revenues" or "total hours") in which to assess a premium charge to an entity.
- C.** FTE premium is based on the full-time mature rate of the specialty presented.

APPENDIX IV

I. PHYSICIAN CLINIC (Cont'd.)

D. FTE premium is **not** subject to a premium reduction because of:

1. Suspended Coverage
2. Newly Practicing Physician Discount
3. Part-Time Rating

However, the Risk Rewards discount does apply.

E. The limit of liability applied to a FTE policy is as follows:

1. If the entire group is rated on a FTE basis (i.e., ER Group) each physician has a separate "each person" limit.
2. If a FTE rider is attached to a standard policy, then all participants share in the "each person" limit of liability.